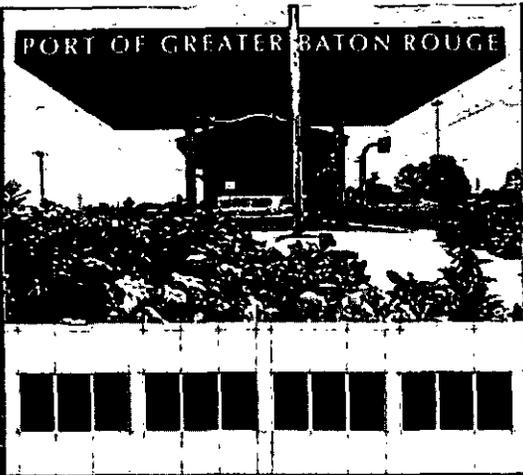
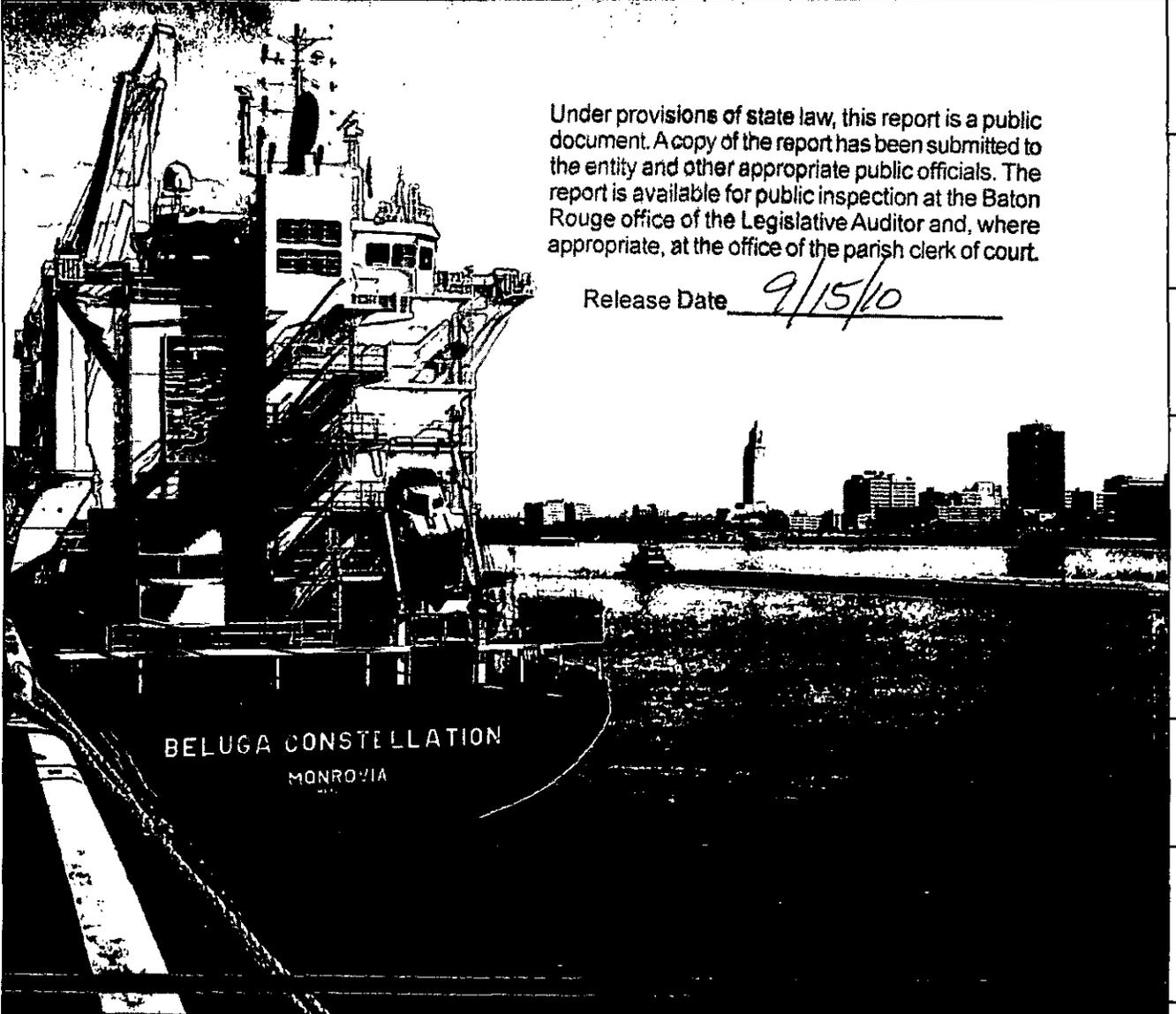


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Comprehensive Annual Financial Report

A Component Unit of the State of Louisiana For the Twelve-Month Period Ended December 31, 2009



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/15/10

Comprehensive Annual Financial Report

A Component Unit of the State of Louisiana For the Twelve-Month Period Ended December 31, 2009



*Maritime Operations Security Center
Opening 2012*

GREATER BATON ROUGE PORT COMMISSION
P.O. BOX 380, PORT ALLEN, LA 70767

Prepared by the Department of Finance and Administration
Brad Stueber, Director of Finance & Administration

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FINANCIAL REPORT 101

Comprehensive Annual Financial Report

Introductory

Introductory



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June 18, 2010

The Board of Commissioners
Greater Baton Rouge Port Commission
2425 Ernest Wilson Drive
Port Allen, Louisiana 70767

Dear Board of Commissioners:

The Port of Greater Baton Rouge and the Baton Rouge region continued to outpace the regional, national and global economies in 2009. The Baton Rouge area ranked in the top 10 mid-markets of the decade, based on the amount of new and expanded projects and jobs within the last 10 years and this business activity benefitted the port.

Although port activity was down from the previous year, the port and its tenants, reported positive growth and remained steady and strong despite the overall slowdown in the global economy. A number of companies at the port announced expansions and overall reported business was improving or sustainable. The port's outlook for 2010 is excellent due to significant expansion of current facilities and new construction, which began in 2009 and will continue in 2010 and 2011.

Westway Terminal Company broke ground on a \$3.8 million expansion at its existing port facility during the summer, consisting of four 1-million-gallon bulk liquid storage tanks. A second phase of that expansion, estimated at \$2.2 million, was announced almost immediately thereafter and is currently underway. This will consist of an additional 1.47 million gallons of liquid storage tanks along with supporting infrastructure. Once both projects are completed, Westway will have increased its storage capacity at the port by more than one-third, to 22.5 million gallons.

Center Point Terminal, operators of the petroleum fuel terminal at the port, has leased an additional 15 acres for a future expansion estimated at between \$8 million and \$10 million.

Point Bio Energy, LLC, a biofuels company, is currently in the development and construction planning stage of a biofuels project on port property. This wood pellet plant is a capital improvements project estimated at over \$100 million and will be a tremendous help to the Louisiana forest industry while also bringing additional shipping to the port.

The global organization, Mammoet, based in Schiedam, The Netherlands, and specializing in the transport and placing of heavy cargos, located at the port in March. Since that time, Mammoet has expanded its original operation here with additional infrastructure and personnel.

These companies operating at the Port of Greater Baton Rouge, as well as several plants in the petrochemical corridor along the port's 85-mile jurisdiction of the Mississippi River, have taken the opportunity over the past 14 months to expand or add new facilities in anticipation of future growth. This is very good news for the capital region and is certainly reason to be optimistic about 2010 and 2011.

Louisiana exports which provide an economic barometer of how the economy is recovering continues to be positive. The state's exports in 2009 were exceeded only by 2008's record-breaking \$41.9 billion. Despite the 22 percent decline in the value of exports in 2009, Louisiana moved up from 9th to 8th in the United States rankings. Total U.S. exports fell by 18.7 percent last year. In terms of volume, an important indicator for the state's deepwater ports, the decline in total vessel weight for Louisiana's exports in 2009 was only 3.5 percent compared to 2008, while total U.S. exports measured in tonnage registered a 7 percent decline.

One of the port's primary goals is to expand and improve on facility utilization of the public maritime assets. Through the port's maintenance and rehabilitation programs, state and federal grants, and private sector funding, our maritime infrastructure continues to be upgraded for maximum utilization and diversification of the cargo and revenue streams and the port will continue to build upon these public assets.

Major port projects for 2009 include:

- Maritime Security Operations Center (MSOC) - On November 23, 2009, the Port received public bids for the construction of the MSOC. The amount of the low bid was \$ 2,740,000 submitted by Block Construction, L.L.C. The award of the contract for the construction of the new multi-purpose facility was executed on December 17, 2009. Groundbreaking and construction of this facility will began in the spring of 2010. When completed, the facility is designed to function continuously as a Maritime Command Center during either landside or maritime emergencies and have interoperable capabilities with other command centers on the lower Mississippi River. Anticipated completion date for this project is the spring of 2011. This project is funded through a \$1 million grant from the U.S. Department of Homeland Security, and a \$2 million state appropriation through the FY 07-08 State of Louisiana Capital Outlay Program.
- Baton Rouge Barge Terminal Road, East Baton Rouge Parish - The Port has planned improvements scheduled for the Bulk Handling Terminal at the Baton Rouge Barge Terminal. Plans include construction of a limestone road and rail improvements. Plans are in the design phase and the cost of the project is estimated to be between \$1-2 million. The Port Commission continues to seek funding for the project through grants and the Louisiana Department of Transportation Port Priority Program.
- Transit Shed Roof and Siding Repairs - In February 2009, the Port Commission approved and accepted the bid of \$1,275,470 on State Project No. 578-61-0022, for roof rehabilitation to Transit Sheds 1 & 3. The project is scheduled to be completed in the summer of 2010. J. Reed Constructors of Baton Rouge was awarded the contract which has created approximately 20 construction jobs.

- 2009 Louisiana State Capital Outlay Appropriation - Through the support and efforts of the port's legislative delegation, the port received a \$6 million appropriation from the 2009 Capital Outlay Budget. These funds will be used for port improvements and rehabilitations to the Port Grain Elevator.
- Public Grain Elevator and Export Facility Request for Proposals - In 2009, the Greater Baton Rouge Port Commission prepared and sought proposals from qualified firms to operate its public grain elevator and export facility located within the port's deepwater facilities on the Mississippi River at Port Allen, Louisiana. The current lease with Cargill, Inc. for the operation of the grain elevator expires in March 2011. Proposals are now being evaluated by the Commission and the Port should be ready to select an operator for the public grain elevator by the fall of 2010.
- Grain Dock Rehabilitation, \$2.7 million - This project includes the repair and rehabilitation to the port's grain elevator dock structure, substructure and painting of the storage facilities. The project is funded through the Louisiana Port Construction and Development Priority Program, and funds from the FY 2006 Capital Outlay Program of \$2,416,050. State funding was authorized for the project in April 2007. The project is 80% complete and has been delayed until the Mississippi River falls low enough to permit resumption of construction activities.
- Transportation Worker Identification Credential (TWIC) Implementation is complete - The port and its users entered a new phase of port security with the successful implementation of the TWIC. These mandated regulations became effective in mid-in January 2009. Initial TWIC enrollment in the Baton Rouge region has exceeded 60,000 applicants.
- Port-wide security grant, \$11.5 million - This federal grant was awarded in 2007 with a 25% percent state match of \$3.8 million from the FY 2008 State's Capital Outlay budget will fund extensive emergency response vessel launching and mooring facilities at locations along the Mississippi River. Port staff and engineers are working with local government and municipalities in the 4-parish jurisdiction of the port to site and construct these important facilities. These security improvements are designed to provide all maritime security components, with easier access to the Mississippi River during marine incidents requiring rapid response. Engineering plans are complete on several projects and constructions of these improvements are scheduled to begin construction in the fall of 2010.

As a public port commission, one of our strategic objectives is to work closely with all private/public partnerships, port stakeholders and maritime interests along the Mississippi River. The port maintains working relationships with federal, state, local, and regional authorities and private sector stakeholders within the port jurisdiction to ensure a vertically integrated approach to port growth and sustainability and to insure port security.

Port business development efforts focus closely on our existing customers and shippers and we continually evaluate market conditions, shipping trends, and the future needs of port users.

The port's emphasis for the year ahead will continue to be directed at fostering domestic and international trade so as to create jobs and investment opportunities for industries within the port

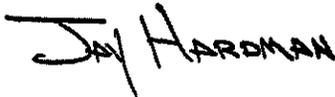
region. Our Board of Commissioners and staff are committed to this mission, which has been a cornerstone of the port's success as it develops policy and sets a future direction for the growth and betterment of the public port facilities.

The maritime business environment is constantly changing, dynamic, and is an ultra-competitive global industry so the port is continually evaluating future business opportunities, and is planning for future port needs. The diversification of port cargo and revenue streams continue to be the focal point of the port's overall success and sustainability as a market leader among U.S. Gulf of Mexico ports well into the future.

Building on past accomplishments, the port's outlook for 2010 is optimistic and poised for growth. The Port Commission appreciates the effort and support of the local and state legislative delegations which secured \$6 million for port infrastructure improvements from the 2009 Capital Outlay Budget.

My thanks to the port's Board of Commissioners for their guidance and support in helping to keep the public Port of Greater Baton Rouge as a driving economic engine and significant asset to this region and state.

Sincerely,



Jay Hardman, P.E.
Executive Director



Post Office Box 380 • Port Allen, Louisiana 70767-0380 • Phone (225) 342-1660 • Fax (225) 342-1666 • www.portgbr.com

June 18, 2010

Board of Commissioners and Executive Director
Greater Baton Rouge Port Commission
Port Allen, Louisiana

The Comprehensive Annual Financial Report of the Greater Baton Rouge Port Commission (the Commission), for the twelve-month period ending December 31, 2009, as prepared by the Finance Department, is hereby submitted for your review. This report was processed under the guidance of the Executive Director and by the Administration and Finance and Business Development Departments. Responsibility for the completeness, accuracy and fairness of the presentation rests with the Finance Director and support staff.

To the best of our knowledge, all data is accurate with regard to all material aspects and is reported in a manner that is designed to fairly present the financial position of the Commission. Disclosures necessary to enable the reader to understand the Commission's financial activities have been included.

A Management's Discussion and Analysis (MD&A) that is designed to complement this letter of transmittal and the basic financial statements can be found in the financial section immediately following the report of the independent auditors.

ECONOMIC OUTLOOK

During 2009, Louisiana ranks near the top of the nation in new jobs created, lower unemployment and the attraction of new businesses and investment capital. The decrease in fuel costs contributed to the lowering of prices of goods and services in the area from post-Hurricane Gustav 2008 prices. Growth at the port has continued as various rehabilitation projects from prior year continued and new construction projects in the planning stages scheduled to be undertaken starting in 2010 showing promise for future increased revenue activities.

The state legislature budgeted \$6 million from 2009 Capital Outlay funds for infrastructure improvements at the port. A portion of these funds will be allocated for upgrades and improvements to the grain elevator facility. The current grain elevator operator's lease will expire in early 2011. The port commission and staff have been meeting with the current grain elevator operator, as well as, several other potential and interested operators in preparation for negotiating a new lease and making plans for any repairs and upgrades that need to be made before the new lease begins.

The \$3.8 million construction of four 1-million-gallon additional bulk liquid storage tanks by Westway Molasses Terminal began in 2009 and will be completed in mid-2010 with plans for a second \$2.2 million expansion that will include an additional 1.47 million gallons of liquid storage tanks and supporting infrastructure. Once complete, these additions will give this long standing tenant a total of 22.5 million gallons capacity, an increase of one-third.

Mammoet, a global organization from The Netherlands, expanded their operations at the Inland River Marine Terminal facility during 2009. Specializing in the transport and placing of heavy cargos, they have expanded operations with additional infrastructure and personnel.

Petroleum Fuel Terminal has plans to begin a large expansion in the next year to their current port facility and Point Bio Energy, LLC has announced that they will be locating a multi-million dollar wood pellet plant at the port in 2010-11. The port staff maintains an optimistic outlook for ongoing financial growth and development of the port, the four parishes within its jurisdiction and the State of Louisiana.

The Port of Greater Baton Rouge ranked 14th in the nation and 85th worldwide in total tonnage with over 51.8 million short tons moving through the port jurisdiction which continues to make the lower Mississippi River corridor a highway of commerce and strategic to the national and international economy.

The 2009 financial and statistical data shows operating revenues decreased by 17.9 percent from 2008 due to lower rental warehouse space during the year. The roofs and some of the siding for Transit Sheds 1 and 3 kept them from being rented for the year. Existing tenants felt some impact from the recession and construction taking place as reflected by a 23.7 percent decline in dockage and wharfage and the 30.4 percent reduction of cargo tonnage reported for the year.

As previously mentioned, operating revenue for 2009 was down from 2008. It changed from \$6,078,123 in 2008 to \$4,985,751, a decrease of 17.9 percent. Combined operating and non-operating revenues were recorded at \$5,420,314, which was down by \$1,853,686 over the same period in 2008. There was a decrease in rentals, wharfage and investment income for 2009. Net assets decreased by \$1,069,755 including the effects of GASB 45 which increased expenses by \$693,006. Total net assets were \$63,833,977 at year-end, as compared to \$64,903,732 in the previous year.

The port's leadership and management staff continue to build upon the strategic direction that maintaining diversified operations and maximizing facility use at the port provides real business strength for the present as well as for the future. The port continues to increase its efforts to produce an economic buffer against changes in market conditions that might otherwise produce a severe negative impact on our revenue stream.

Typically within the port industry, factors related to the local, national and international economies contribute significantly to the port's level of success. The goal is to continue current efforts to grow the port as opportunities for cargo movement expand and to foster economic development within the port's jurisdiction when possible. It is expected that the changes such as the strengthening or weakening of the dollar against foreign currencies, world energy demand, a focus on the need to be less fossil fuel dependent, and an overall population of growth in the southern region of the United States, will all have a significant impact on the port's future.

As staff continues to focus on diversification and future growth, it will work to provide opportunities and incentives so that our business community will have the ability to expand or to entice new business to locate and operate within the port's jurisdiction. As this is accomplished, there will be opportunities to increase the port's revenue base as well as to stimulate new benefits for our local, state, and national economies.

MAJOR INITIATIVES

The board did not pursue acquisition of any additional land in 2009, but their interest in obtaining more tracts along the Mississippi River and Gulf Intracoastal Waterway for future port expansion continues.

Rehabilitation of the grain dock remained at 80 percent complete through 2009 as at the end of 2008 due to high water during the year preventing work to progress. This project is funded through state and port funding.

As part of the national U.S. Homeland Security initiative, the port, with funding from federal and state grants, continued to move forward with studies and plans for locating and constructing eleven emergency boat launch ramps along the Mississippi River within the port jurisdiction for security vessels to access the river water at various points. Construction of the new security command center will begin in 2010 with funding provided by federal and state grants and by port funds. When completed, these facilities will enhance response time for maritime related emergencies which occur within the port's four parish jurisdiction.

FINANCIAL CONDITION

As demonstrated by the statements and schedules included in the financial section of this report, the Commission continues to be in sound financial condition.

REPORTING ENTITY

The Greater Baton Rouge Port Commission was established by virtue of Act 9 of the Regular Session of the 1952 Legislature of Louisiana, adopted as an amendment to the Constitution of Louisiana as Section 29, Article VI thereof, and was created as an Executive Department (now a political subdivision) of the State of Louisiana. The Commission is governed by a board of commissioners and has the power and authority to regulate the commerce and traffic within certain boundaries of the State of Louisiana and has charge of and administers public wharves, docks, sheds, landings and other structures useful for the commerce of the port area.

FINANCIAL REPORTING

The Commission is a component unit of the State of Louisiana and includes only the financial information of this component unit.

The financial statements of the Commission have been prepared in accordance with generally accepted accounting principles applicable to governments and to the guidelines set forth in the industry audit guide, *Audits of State and Local Governmental Units*. The Greater Baton Rouge Port Commission adopted the provisions of Governmental Accounting Standards Board's Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*. Governmental Accounting Standards Board's Statement No. 45 for Other Post-Retirement Employee Benefits was implemented as required in 2008.

FUND DESCRIPTION

The Greater Baton Rouge Port Commission has only one fund to which all accounts are organized and accounted for as a single entity. This fund is operated as an Enterprise Fund. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges.

INTERNAL CONTROLS

The management of the Commission is responsible for establishing and maintaining internal controls over its operations. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures.

The objectives of internal controls are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be derived and that the evaluation of the costs and benefits requires estimates and judgments by management.

BUDGETARY CONTROL

The Commission staff prepares an annual Operations and Maintenance Budget that is based on expected collections and expenditures for the fiscal year. The Board of Commissioners approves and adopts the budget, which constitutes the authority of the Commission to incur liabilities and authorize projected expenditures from the respective budgeted categories.

In addition, the Commission approves certain expenses from the general fund account for maintenance of existing facilities and for new construction, on an as needed basis.

Monthly financial statements, which compare actual performance with budget, are presented to the Commission for review of the financial status and to measure the effectiveness of the budgetary controls.

DEBT ADMINISTRATION

The Commission is authorized by the state legislature to have outstanding indebtedness of up to \$100,000,000 evidenced by negotiable bonds or notes.

The Greater Baton Rouge Port Commission has outstanding Bond indebtedness of \$5,756,857 through a 1999A and 1999B Series issue. These bonds mature serially to the year 2019. The bonds are limited and special obligations payable solely from lawfully available funds and certain funds held by the Trustee pursuant to the Trust Indenture. No other assets are available for payment of the principal or interest on the Bonds.

INDEPENDENT AUDIT

State statutes require an annual audit by either an independent certified public accountant or the Legislative Auditor. The Louisiana Legislative Auditor elected to contract this service to the independent Certified Public Accounting firm, Duplantier, Hrapmann, Hogan & Maher, L.L.P, for the audit years 2008-2010. The auditor's report on the component unit financial statements is included in the financial section of this report.

AWARDS

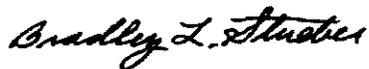
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port Commission for its comprehensive annual financial report for the year ended December 31, 2008. This was the 15th consecutive year the Port Commission received this prestigious award. To be awarded a Certificate of Achievement, the Port Commission must publish an easily readable and efficiently organized comprehensive annual financial report. This report must also satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement from the GFOA is valid for a period of one year only. The port's accounting department's evaluation concluded that this current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements. This report will be submitted to the GFOA for evaluation and to determine its eligibility for another Certificate of Achievement.

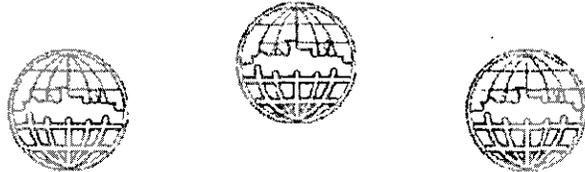
ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the staff of the finance/administration department, support of the executive department and the personnel of the professional accounting firm of Duplantier, Hrapmann, Hogan & Maher, L.L.P. Special recognition is given to the port Finance and Accounting staff, to Katie LeBlanc and to Karen St.Cyr, Director of Public Relations for their extraordinary efforts in maintaining and preserving the port's financial departments and records and the design and preparation of this year's annual report.

Respectfully Submitted,



Bradley L. Stueber
Director of Finance and Administration



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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Greater Baton Rouge Port Commission, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



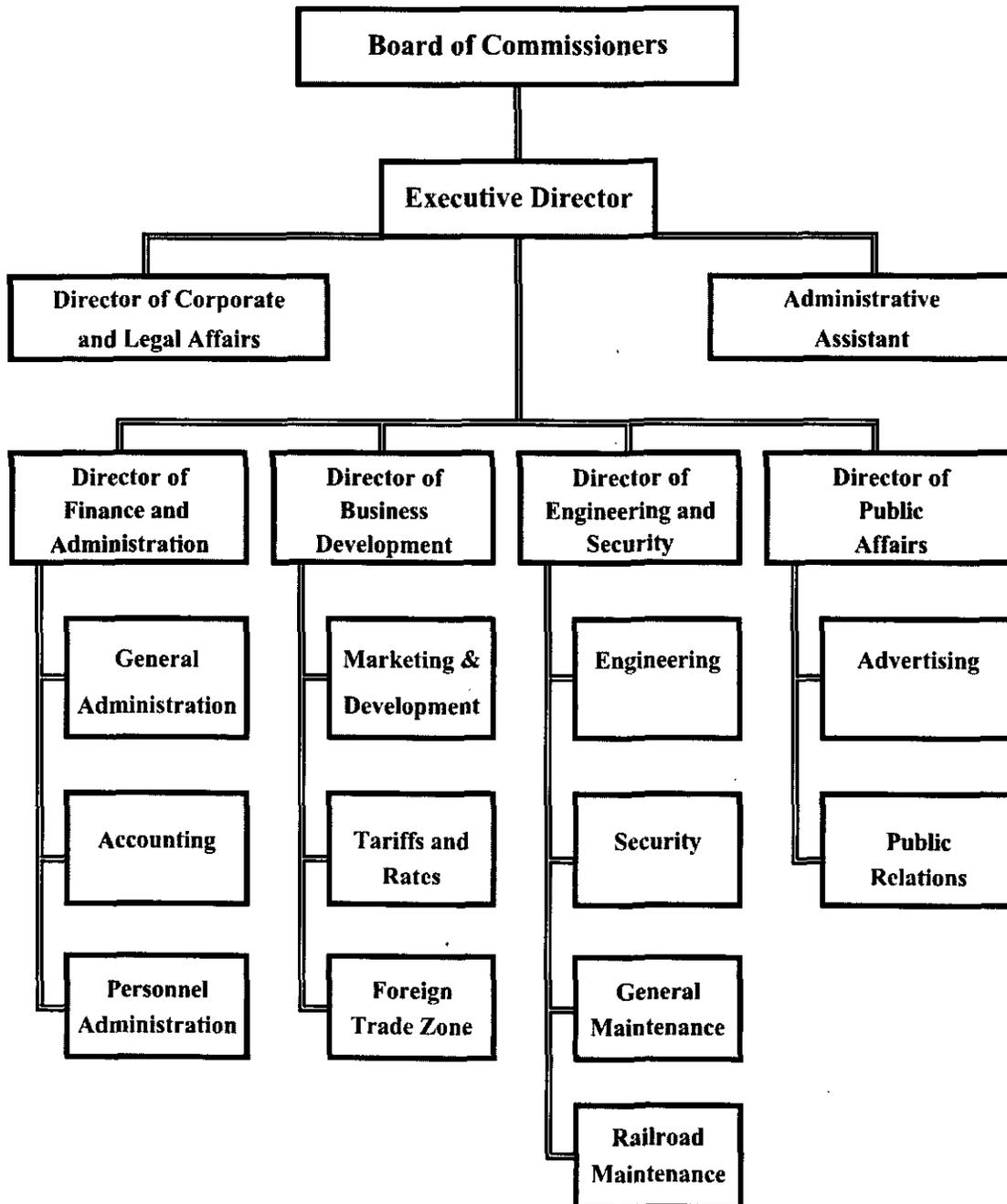
A large, stylized handwritten signature in black ink.

President

A smaller, more legible handwritten signature in black ink.

Executive Director

Organizational Chart



*The
Greater Baton Rouge
Port Commission
(A Political Subdivision of the State of Louisiana)*

BOARD OF COMMISSIONERS

Raymond Loup

President

Larry Johnson

Vice President

Kirt Bennett

Secretary

Jerald Juneau

Treasurer



COMMISSIONERS

Randy Brian

Alvin Dragg

Timothy Hardy

Brenda Hurst

Angela Machen

Roy Pickren, Jr

Randy Poche

Corey Sarullo

Clint Seneca

Blaine Sheets

John Tilton

PORT STAFF

John G. Hardman, Jr., P.E.

Executive Director

Barry Wilkinson

Director of Corporate and Legal Affairs

Greg Johnson

Director of Business Development

John Polansky, Jr., P.E.

Director of Engineering and Security

Karen K. St. Cyr

Director of Public Affairs

Bradley L. Stueber

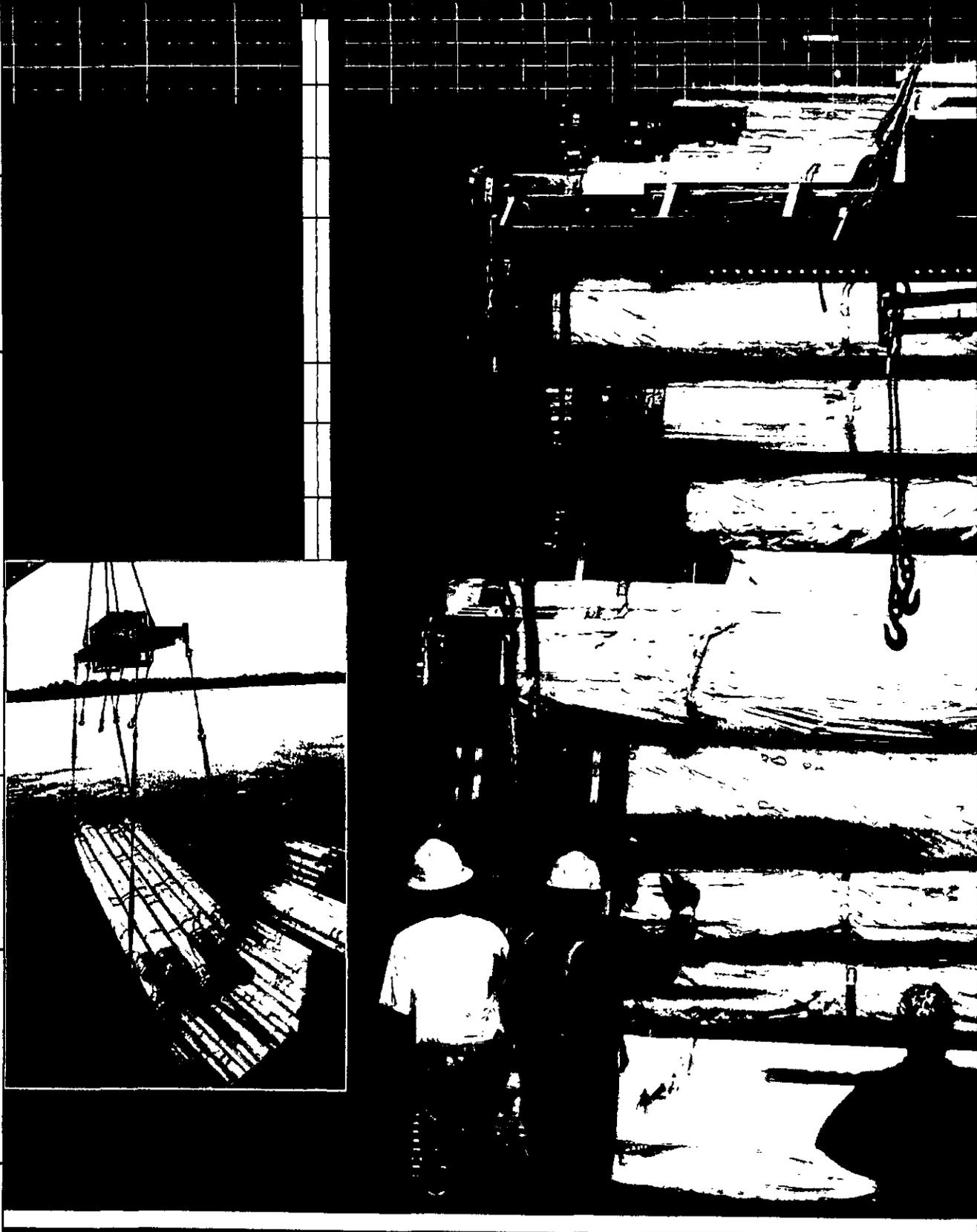
Director of Finance and Administration



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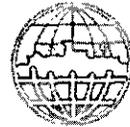


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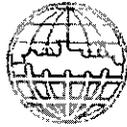
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FINANCIAL REPORT
GREATER BATON ROUGE
PORT COMMISSION
(STATE OF LOUISIANA)
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008

Submitted by:
Department of Finance
Bradley Stueber
Director of Finance and Administration



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DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
DAVID A. BURGARD, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY I. DUPLANTIER, C.P.A.
MICHELE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.

ANN H. HEBERT, C.P.A.
GRADY C. LLOYD, III, C.P.A.
HENRY L. SILVIA, C.P.A.

A.J. DUPLANTIER JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

INDEPENDENT AUDITOR'S REPORT

June 18, 2010

To the Board of Commissioners
Greater Baton Rouge Port Commission
State of Louisiana
Port Allen, Louisiana

We have audited the accompanying financial statements of the Greater Baton Rouge Port Commission, a component unit of the State of Louisiana, as of and for the years ended December 31, 2009 and 2008, as listed in the foregoing table of contents. These financial statements are the responsibility of the Greater Baton Rouge Port Commission's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Greater Baton Rouge Port Commission as of December 31, 2009 and 2008, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2010, on our consideration of the Greater Baton Rouge Port Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were made for the purpose of forming opinions on the financial statements taken as a whole. The required supplementary information is presented for additional analysis as required by Governmental Accounting Standards Board (GASB) and is not a required part of the basic financial statements. Such required supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying other supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The other supplemental information schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and the statistical section, which are presented for purposes of additional analysis and are also not a required part of the basic financial statements, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The Annual Financial Statement Reporting Packet, presented as supplementary information, is not a required part of the basic financial statements, but is supplementary information required by Louisiana's Office of Statewide Reporting and Accounting Policy. This information has been subjected to the auditing procedures applied in the audit of the accompanying financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the accompanying financial statements taken as a whole.

Duplantier, Hrapmann, Hogan & Maher, LLP

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

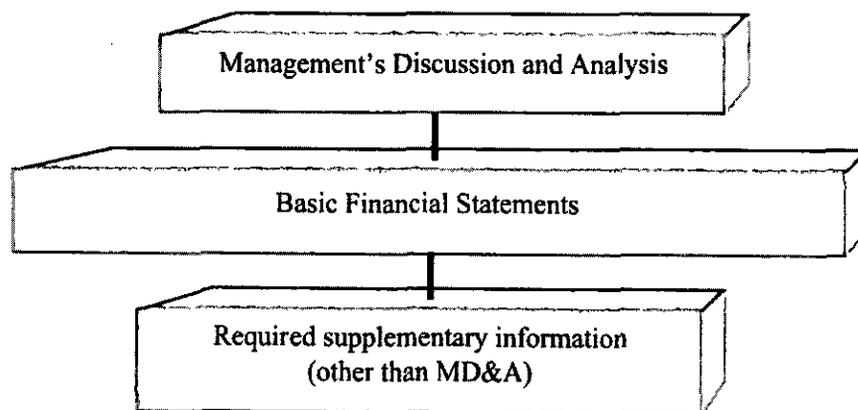
The Management's Discussion and Analysis of the Greater Baton Rouge Port Commission's performance presents a narrative overview and analysis of the port's financial activities for the years ended December 31, 2009 and 2008. The report is based on twelve months activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Port's financial statements, beginning on page 24.

The report contains comparative analysis for 2009 and 2008.

FINANCIAL HIGHLIGHTS

- The Greater Baton Rouge Port Commission's assets exceeded its liabilities at the close of fiscal year 2009 by \$63,833,977, which represents a decrease from last fiscal year of \$1,069,755 (or 1.6%).
- During the twelve-month period, operating expenses exceeded operating revenues by \$2,437,145. Total net non-operating revenue was \$117,273. When combined, operating, non-operating and capital contributions performance measures indicate a decrease in net assets of \$1,069,755.
- The unrestricted investment portfolio was valued at \$10,848,618 at December 31, 2009.

OVERVIEW OF THE FINANCIAL STATEMENTS



GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

The preceding graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

These financial statements consist of three sections – Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the Greater Baton Rouge Port Commission as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statements of Net Assets; the Statements of Revenues, Expenses, and Changes in Net Assets; and the Statements of Cash Flows.

The Statements of Net Assets present the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Port Commission is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Assets present information as to how the Port Commission's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statements present information showing how the Port Commission's cash changed as a result of current year operations. The cash flow statements are prepared using the direct method and include the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

The following contains condensed Statement of Net Assets information at December 31, 2009, 2008 and 2007 (amounts in thousands).

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Assets:			
Current and other assets	\$ 19,759	\$ 19,958	\$ 20,598
Capital assets	52,963	53,614	52,832
Total assets	<u>72,722</u>	<u>73,572</u>	<u>73,430</u>
Total Liabilities:			
Current and other liabilities	2,079	2,089	2,238
Long-term obligations	6,809	6,580	6,343
Total liabilities	<u>8,888</u>	<u>8,669</u>	<u>8,581</u>
Net assets:			
Invested in capital assets, net of debt	47,206	47,428	46,242
Restricted	199	213	313
Unrestricted	16,429	17,262	18,294
Total net assets	<u>\$ 63,834</u>	<u>\$ 64,904</u>	<u>\$ 64,849</u>

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements and grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used for.

Net assets of the Greater Baton Rouge Port Commission decreased by \$1,069,755 from December 31, 2008 to December 31, 2009. This decrease was a result of decreases in rental income, grain elevator activity, mid-river activity, and the recording of the post employment benefits liability required by GASB 45. Net assets increased by \$55,155 from December 31, 2007 to December 31, 2008. This increase was smaller than in previous years due to decreases in rental income, grain elevator activity, mid-river activity, and the recording of the post employment benefits liability required by the implementation of GASB 45.

The following is a condensed Statement of Revenues, Expenses, and Changes in Net Assets for the years ended December 31, 2009, 2008 and 2007 (amounts in thousands).

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Dockage & Wharfage	\$ 1,504	\$ 1,970	\$ 2,136
Rentals	1,961	2,423	2,989
Other	1,521	1,685	1,506
Operating revenues	<u>4,986</u>	<u>6,078</u>	<u>6,631</u>
Direct	(2,171)	(2,226)	(2,023)
Administrative	(2,021)	(2,036)	(1,964)
Post Retirement Benefits	(693)	(674)	-
Depreciation	(2,538)	(2,538)	(2,499)
Operating expenses	<u>(7,423)</u>	<u>(7,474)</u>	<u>(6,486)</u>
Operating income (loss)	<u>(2,437)</u>	<u>(1,396)</u>	<u>145</u>
Non-operating revenues	435	1,196	902
Non-operating expenses	(317)	(342)	(367)
Non-operating income (expenses)	<u>117</u>	<u>854</u>	<u>535</u>
Income (loss) before contributions	<u>(2,320)</u>	<u>(542)</u>	<u>680</u>
Capital contributions	<u>1,250</u>	<u>597</u>	<u>1,930</u>
Change in net assets	(1,070)	55	2,610
Total Net Assets – Beginning of Year	64,904	64,849	62,239
Total Net Assets – End of Year	<u>\$ 63,834</u>	<u>\$ 64,904</u>	<u>\$ 64,849</u>

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

The Greater Baton Rouge Port Commission's operating revenues decreased by \$1,092,372 and the total operating expenses decreased by \$53,179 from 2008 to 2009. The decrease in operating revenues resulted from lease expirations and terminations in 2009. Decreased operating expenses were due to decreased direct expenses. The Port's operating revenues decreased by \$552,801 in 2008 over 2007 due to lease expirations and terminations in 2008. Operating expenses increased by \$988,424 from 2007 to 2008 as a result of the implementation of GASB 45 which requires Other Post Employment Benefits liabilities to be recorded.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009 and 2008, the Port Commission had \$112,009,061 and \$110,182,525, respectively, invested in a broad range of capital assets, including land, railroad tracks and yards, roadways and structures, buildings and structures, equipment, furnishings and transportation equipment. This amount represents a net increase (including additions and deductions) of \$1,826,535 over last period. Accumulated depreciation at the end of 2009 and 2008 was \$59,046,308 and \$56,568,365, respectively. For additional information on capital asset activity see note 5 in the Notes to the Financial Statements section. Capital assets at December 31, net of accumulated depreciation, are as follows:

Capital Assets (in Thousands)		
	2009	2008
Land	\$ 7,380	\$ 7,380
Construction in progress	5,065	4,272
Building and improvements	30,819	32,593
Equipment	1,435	1,332
Infrastructure	8,264	8,037
Totals	\$ 52,963	\$ 53,614

Debt

The Greater Baton Rouge Port Commission had \$5,756,857 in loans payable outstanding at year-end, compared to \$6,185,707 last year, a decrease of 6.9%.

No new debt was issued during the year ended December 31, 2009.

The Greater Baton Rouge Port Commission carries a BBB- debt rating on its debt.

Additional information concerning Long Term Debt is disclosed in Note 6 in the Notes to the Financial Statements.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS EXPECTED TO HAVE SIGNIFICANT EFFECT ON THE FUTURE

In accordance with the requirements of GASB 34, we are not aware of any known facts, decisions or conditions that are expected to have a significant effect on the Port's financial position or results of operations.

CONTACTING THE GREATER BATON ROUGE PORT COMMISSION'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Greater Baton Rouge Port Commission's finances and to show the port commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Bradley Stueber, Director of Finance at (225) 342-1660.

STATEMENT A

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 STATEMENTS OF NET ASSETS
DECEMBER 31, 2009 AND 2008

ASSETS:	<u>2009</u>	<u>2008</u>
Current Assets:		
Cash	\$ 6,863,859	\$ 2,557,004
Investments	10,848,618	15,315,254
Receivables:		
Trade Accounts (Net of Allowance for Uncollectible Accounts of \$2,100 in 2009 and 2008)	862,852	694,495
Due From Other Governments	44,471	294,155
Accrued Interest Receivable	105,852	43,471
Prepaid Expenses	84,929	87,117
Total Current Assets	<u>18,810,581</u>	<u>18,991,496</u>
Restricted Assets:		
Restricted Investments	797,288	799,375
Restricted Accrued Interest Receivable	198	198
Total Restricted Assets	<u>797,486</u>	<u>799,573</u>
Noncurrent Assets:		
Capital Assets:		
Land and Construction in Progress	12,444,929	11,652,267
Other Capital Assets, Net of Accumulated Depreciation	<u>40,517,824</u>	<u>41,961,893</u>
Total Capital Assets	52,962,753	53,614,160
Other Assets:		
Unamortized Debt Issue Costs	<u>150,973</u>	<u>167,294</u>
Total Other Assets	<u>150,973</u>	<u>167,294</u>
Total Noncurrent Assets	<u>53,113,726</u>	<u>53,781,454</u>
TOTAL ASSETS	<u>\$ 72,721,793</u>	<u>\$ 73,572,523</u>

See accompanying notes to the financial statements.

STATEMENT A

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF NET ASSETS
DECEMBER 31, 2009 AND 2008

LIABILITIES:	<u>2009</u>	<u>2008</u>
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable	\$ 453,603	\$ 565,584
Construction Contracts Payable	174,476	264,527
Other Accrued Liabilities	370,918	306,314
Revenues Received in Advance	<u>481,126</u>	<u>365,735</u>
Total Current Liabilities - Payable from Unrestricted Assets	1,480,123	1,502,160
Payable from Restricted Assets:		
Loans Payable - Current Portion	440,000	420,000
Accrued Interest Payable	100,745	108,839
Unredeemed Bonds and Coupons	<u>57,750</u>	<u>57,750</u>
Total Current Liabilities - Payable from Restricted Assets	<u>598,495</u>	<u>586,589</u>
Total Current Liabilities	2,078,618	2,088,749
Noncurrent Liabilities:		
Other Liabilities	125,048	140,048
OPEB Payable	1,367,293	674,287
Long-term Debt	<u>5,316,857</u>	<u>5,765,707</u>
Total Noncurrent Liabilities	<u>6,809,198</u>	<u>6,580,042</u>
Total Liabilities	8,887,816	8,668,791
Net Assets:		
Invested in Capital Assets, Net of Related Debt	47,205,897	47,428,455
Restricted for:		
Debt Service	198,991	212,984
Unrestricted	<u>16,429,089</u>	<u>17,262,293</u>
Total Net Assets	<u>63,833,977</u>	<u>64,903,732</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 72,721,793</u>	<u>\$ 73,572,523</u>

See accompanying notes to the financial statements.



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STATEMENT B

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Operating Revenues:		
Dockage and Wharfage	\$ 1,503,534	\$ 1,969,786
Rentals	1,961,004	2,422,887
Other	<u>1,521,213</u>	<u>1,685,450</u>
Total Operating Revenues	4,985,751	6,078,123
Operating Expenses:		
Direct	2,171,447	2,226,194
Administrative	2,020,577	2,035,771
Postemployment Benefits	693,006	674,287
Depreciation	<u>2,537,866</u>	<u>2,538,188</u>
Total Operating Expenses	<u>7,422,896</u>	<u>7,474,440</u>
Operating Loss	(2,437,145)	(1,396,317)
Nonoperating Revenues (Expenses):		
Investment Income	279,707	648,369
Insurance Recoveries	152,846	22,004
Intergovernmental Revenues	1,635	-
Interest Expense	(306,282)	(330,736)
Gain on Sale of Capital Assets	375	525,504
Amortization of Debt Issue, Premium and Deferred Refunding, Net	(7,473)	(7,473)
Trustee's Fees	<u>(3,535)</u>	<u>(3,500)</u>
Total Nonoperating Revenues (Expenses)	<u>117,273</u>	<u>854,168</u>
Loss Before Contributions	(2,319,872)	(542,149)
Capital Contributions	<u>1,250,117</u>	<u>597,304</u>
Change in Net Assets	(1,069,755)	55,155
Total Net Assets - Beginning of Year	<u>64,903,732</u>	<u>64,848,577</u>
TOTAL NET ASSETS - END OF YEAR	<u>\$ 63,833,977</u>	<u>\$ 64,903,732</u>

See accompanying notes to the financial statements.

STATEMENT C

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 4,932,785	\$ 6,172,608
Cash Payments to Suppliers for Goods and Services	(2,452,311)	(2,219,071)
Cash Payments to Employees for Services	<u>(1,760,835)</u>	<u>(1,761,513)</u>
Net Cash Provided by Operating Activities	719,639	2,192,024
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Repayment of Loans	(420,002)	(401,004)
Interest Paid on Loans	(314,376)	(339,174)
Acquisition/Construction of Capital Assets	(2,015,577)	(3,715,670)
Proceeds from Sale of Capital Assets	375	563,909
Loan Trustee Fees	(3,535)	(3,500)
Capital Contributions	1,499,801	699,785
Intergovernmental revenues	1,635	-
Insurance Recoveries	<u>152,846</u>	<u>22,004</u>
Net Cash Used in Capital and Related Financing Activities	(1,098,833)	(3,173,650)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Investment Securities	(10,756,518)	(10,879,313)
Proceeds from Calls and Maturities of Investment Securities	15,111,028	11,455,030
Interest and Dividends Earned on Investment Securities	<u>331,539</u>	<u>538,849</u>
Net Cash Provided by Investing Activities	4,686,049	1,114,566
NET INCREASE IN CASH	4,306,855	132,940
CASH AT BEGINNING OF YEAR	<u>2,557,004</u>	<u>2,424,064</u>
CASH AT END OF YEAR	<u>\$ 6,863,859</u>	<u>\$ 2,557,004</u>

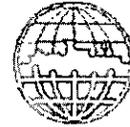
See accompanying notes to the financial statements.

STATEMENT C

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF CASH FLOWS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (2,437,145)	\$ (1,396,317)
Adjustments to Reconcile Operating Loss to Net Cash Provided By Operating Activities:		
Depreciation	2,537,866	2,538,188
Changes in Unrestricted Assets and Liabilities:		
(Increase) Decrease in Trade Accounts Receivable	(168,357)	168,285
(Increase) Decrease in Prepaid Expenses	2,188	19,270
Increase (Decrease) in Accounts Payable	(72,914)	265,428
Increase (Decrease) in Other Accrued Liabilities	64,604	5,512
Increase (Decrease) in Revenue Received in Advance	115,391	(73,800)
Increase (Decrease) in Other Liabilities	(15,000)	(8,829)
Increase (Decrease) in Accrued OPEB Benefits	693,006	674,287
	<u>\$ 719,639</u>	<u>\$ 2,192,024</u>
 SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Change in Unrealized Loss on Investments	\$ <u>50,329</u>	\$ <u>(124,842)</u>
Change in Accrual of Capital Contributions	\$ <u>(249,684)</u>	\$ <u>(102,481)</u>
Change in Investment Premiums and Discounts	\$ <u>319,512</u>	\$ <u>(20,235)</u>

See accompanying notes to the financial statements.



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GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NATURE OF OPERATIONS:

The Greater Baton Rouge Port Commission (the Port Commission) was established by virtue of Act 9 of the Regular Session of the 1952 Legislature of Louisiana, adopted as an amendment to the Constitution of Louisiana as Section 29, Article VI, thereof, and was created as an Executive Department (now a political subdivision) of the State of Louisiana. The Port Commission is governed by a board of commissioners and has the power and authority to regulate the commerce and traffic within certain boundaries of the State of Louisiana and have charge of and administer public wharves, docks, sheds, and landings and other structures useful for the commerce of the port area.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred or economic asset used. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and reporting standards. The Port Commission applies all GASB pronouncements as well as Financial Accounting Standards (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements were prepared in accordance with GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. All activities of the Port Commission are accounted for within a single proprietary (enterprise) fund. This fund type is used to report any activity for which a fee is charged to external users for goods and services.

Reporting Entity

As the governing authority of the state, for reporting purposes, the State of Louisiana is the financial reporting entity. The financial reporting entity consists of: (1) the primary government (state), (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Port Commission is considered a component unit of the State of Louisiana because the state has financial accountability over the Port Commission in that the governor appoints all the commission members and can impose his will on the Port Commission. The accompanying financial statements present information only on the funds maintained by the Port Commission and do not present information on the state, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus

On November 1, 2000, the Port Commission adopted the provisions of Statement No. 34 ("Statement 34") of the GASB *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government*. Statement 34 established standards for external financial reporting for all state and local governmental entities which includes a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows.

The accounts of the Port are organized and operated as an enterprise fund. Enterprise funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Fund equity is classified as net assets.

Budgets and Budgetary Accounting

The Port Commission prepares the annual Operations and Maintenance budget for internal management purposes, and the budget is based on what is expected to be collected during the fiscal year. The budget is approved by the Board of Commissioners. The adopted budget constitutes the authority of the Port Commission to incur liabilities and authorize expenses from the respective budgeted funds. In addition, certain expenses are approved monthly by the Board before payment from the General Fund budget. The Port Commission is not required to present a budget comparison in its financial statements.

Cash and Investments

Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and cash in trust accounts. The Port is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

State Law R.S. 33.2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. All known uncollectible accounts have been removed from receivables and an allowance has been made for doubtful accounts based on a periodic aging of accounts receivable. The majority of receivables consist of dockage/wharfage and rentals.

Capital Assets

Property and equipment are stated at cost. Public domain (infrastructure) assets including roads, surface drainage, railroad tracks and yards are capitalized along with other capital assets. The Port Commission generally capitalizes assets with a cost of \$500 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets as shown below:

	<u>Years</u>
Railroad tracks and yards	20 to 40
Roadways and surface drainage	5 to 33
Buildings and structures	5 to 40
Equipment	5 to 25
Office furniture and fixtures	3 to 10
Transportation equipment	3 to 5

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are for loan repayment and debt service.

Lease Revenue Recognition

Lease rentals, as further explained in Note 9, are accounted for under the operating method whereby revenue is recognized currently as rentals become due.

Unamortized Debt Issue Expenses and Premium

Debt expense and premium, incurred in connection with obtaining loan financing, are amortized using the balance outstanding method over the term of the loans.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Compensated Absences

Employees accrue and accumulate annual and sick leave at varying rates in accordance with state law based on full-time service. The leave is accumulated without limitation. Upon separation of employment, employees or their heirs are compensated for accumulated annual leave not to exceed 300 hours at their current rate of pay. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expense when the leave is earned. Accrued compensated absences are included in Other Accrued Liabilities on the Statement of Net Assets.

Equity Classifications

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.
- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Port Commission. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions.

When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the Port Commission’s policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

2. DEPOSITS AND INVESTMENTS:

Deposits

At December 31, 2009 and 2008, the Port Commission has cash (book balances) totaling \$6,863,859 and \$ 2,557,004, respectively, as follows:

	<u>2009</u>	<u>2008</u>
Demand deposits	\$ 6,863,359	\$ 2,556,504
Petty Cash	<u>500</u>	<u>500</u>
Total	<u>\$ 6,863,859</u>	<u>\$ 2,557,004</u>

Custodial credit risk is the risk that, in the event of a bank failure, the Port's deposits might not be recovered. The Port's deposit policy for custodial credit risk conforms to state law, as described in Note 1 to the financial statements. At December 31, 2009, the Port's total demand deposit bank balance of \$6,954,846 was entirely secured by federal deposit insurance or pledged securities held by the Port's agent in the Port's name. At December 31, 2008, \$747,341 of the Port's total demand deposit bank balance of \$2,694,568 was not secured by federal deposit insurance or pledged securities held by the Port's agent in the Port's name.

Investments

At December 31, 2009 and 2008, investments of the Port consisted of the following:

	<u>2009</u>	<u>2008</u>
Obligations of Federally Sponsored Entities	\$ 10,649,921	\$ 7,049,298
Government Money Market Fund	739,538	741,625
Louisiana Asset Management Pool	247,499	8,298,318
Stock	<u>8,948</u>	<u>25,388</u>
	<u>\$ 11,645,906</u>	<u>\$ 16,114,629</u>

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the Port will not be able to recover the value of its investment. The Port is not exposed to custodial credit risk since the investments are held in the name of the Port or held by the Port. The Port's investment policy conforms to state law, as described in Note 1, which has no provision for custodial credit risk.

Concentration of credit risk relates to the amount of investments in any one entity. At December 31, 2009 and 2008, the Port had no investments in any one entity which exceeded 5% of total investments, except obligations of federally sponsored entities, which are implicitly guaranteed by the federal government.

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

2. DEPOSITS AND INVESTMENTS: (Continued)

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The Port's investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of December 31, 2009 and 2008, the Port had the following investment in debt securities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>2009</u>			
		<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
Obligations of Federally Sponsored Entities	\$ 10,649,921	\$ -	\$ 10,649,921	\$ -	\$ -
Government Money Market Fund	739,538	739,538	-	-	-
Louisiana Asset Management Pool	247,499	247,499	-	-	-
Total	\$ 11,636,958	\$ 987,037	\$ 10,649,921	\$ -	\$ -

<u>Investment Type</u>	<u>Fair Value</u>	<u>2008</u>			
		<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
Obligations of Federally Sponsored Entities	\$ 7,049,298	\$ -	\$ 7,049,298	\$ -	\$ -
Government Money Market Fund	741,625	741,625	-	-	-
Louisiana Asset Management Pool	8,298,318	8,298,318	-	-	-
Total	\$ 16,089,241	\$ 9,039,943	\$ 7,049,298	\$ -	\$ -

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. At December 31, 2009 and 2008, the Port invested in obligations of federally sponsored entities in the amounts of \$10,649,921 and \$7,049,298, respectively, which are not rated. The investment in Louisiana Asset Management Pool is rated AAAM by Standard and Poors. The Port's investment in Hancock Horizon Government Money Market Fund is rated AAA by Standard and Poors. The type of investment allowed by the state law ensures that the Port is not exposed to credit risk. At December 31, 2009, the Port had an investment of stock of Ormet Corporation in the amount of \$8,948 (see Note 4).

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

2. DEPOSITS AND INVESTMENTS: (Continued)

The investment in LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA R.S. 33:2955. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the Securities and Exchange Commission as an investment company.

A separate financial report for the Louisiana Asset Management Pool is prepared by the Louisiana Legislative Auditor in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from LAMP's website at www.lamppool.com.

3. RESTRICTED ASSETS:

At December 31, 2009 and 2008, assets restricted for debt service consist of the following:

	<u>2009</u>	<u>2008</u>
Cash and Investments	\$ 797,288	\$ 799,375
Accrued Interest Receivable	198	198
	<u>\$ 797,486</u>	<u>\$ 799,573</u>

The mortgage indentures associated with the outstanding loans require certain amounts to be transferred at certain intervals and carried in restricted asset accounts. At December 31, 2009 and 2008, the net balance of these accounts was sufficient to meet all requirements.

4. CONTRACT RECEIVABLE:

At December 31, 2009, the Port Commission owned 4,162 shares of stock of Ormet Primary Aluminum Corporation. The stock was received in 2008 as a result of bankruptcy court proceedings related to a prior contract receivable from a lease termination agreement with Ormet Primary Aluminum Corporation dated May 3, 1999. In 2005 and 2006, the Port Commission received a partial settlement of the receivable and wrote off the remainder which was deemed uncollectible due to the bankruptcy. At December 31, 2009 and 2008 the stock was valued at \$8,948 and \$25,388, respectively.

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

5. CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2009 was as follows:

	Balance <u>January 1, 2009</u>	<u>Additions</u>	Disposals/ <u>Transfers</u>	Balance <u>December 31, 2009</u>
Capital Assets Not Depreciated:				
Land	\$ 7,380,052	\$ --	\$ --	\$ 7,380,052
Other Construction in Progress	4,272,215	1,636,215	(888,844)	5,019,586
Other Assets in Process	--	328,464	(283,173)	45,291
Total Capital Assets Not Depreciated	11,652,267	1,964,679	(1,172,017)	12,444,929
Capital Assets Being Depreciated:				
Railroad Tracks and Yards	3,662,636	615,965	--	4,278,601
Roadways and Surface Drainage	10,296,554	4,974	--	10,301,528
Buildings and Structures	78,525,558	7,101	--	78,532,659
Equipment	4,963,312	452,120	(334)	5,415,098
Office Furniture and Fixtures	698,510	13,636	(59,588)	652,558
Transportation Equipment	383,688	--	--	383,688
Total Capital Assets Being Depreciated	98,530,258	1,093,796	(59,922)	99,564,132
Less Accumulated Depreciation for:				
Railroad Tracks and Yards	(2,570,305)	(53,701)	--	(2,624,005)
Roadways and Surface Drainage	(3,352,278)	(340,146)	--	(3,692,424)
Buildings and Structures	(45,932,579)	(1,780,872)	--	(47,713,451)
Equipment	(3,931,582)	(276,505)	334	(4,208,753)
Office Furniture and Fixtures	(556,662)	(55,570)	59,588	(551,644)
Transportation Equipment	(224,959)	(31,071)	--	(256,031)
Total Accumulated Depreciation	(56,568,365)	(2,537,865)	59,922	(59,046,308)
Total Capital Assets Less Depreciation	41,961,893	(1,444,069)	--	40,517,824
Net Capital Assets	\$ 53,614,160	\$ 520,610	\$ (1,172,017)	\$ 52,962,753

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

5. CAPITAL ASSETS: (Continued)

Capital asset activity for the year ended December 31, 2008 was as follows:

	Balance <u>January 1, 2008</u>	<u>Additions</u>	Disposals/ <u>Transfers</u>	Balance <u>December 31, 2008</u>
Capital Assets Not Depreciated:				
Land	\$ 5,816,854	\$ 1,591,588	\$ (28,390)	\$ 7,380,052
Other Construction in Progress	2,731,556	1,794,031	(253,372)	4,272,215
Other Assets in Process	<u>83,410</u>	<u>42,597</u>	<u>(126,007)</u>	<u>-</u>
Total Capital Assets Not Depreciated	8,631,820	3,428,216	(407,769)	11,652,267
Capital Assets Being Depreciated:				
Railroad Tracks and Yards	3,611,554	51,082	--	3,662,636
Roadways and Surface Drainage	10,296,554	--	--	10,296,554
Buildings and Structures	78,468,332	57,226	--	78,525,558
Equipment	4,917,206	61,854	(15,748)	4,963,312
Office Furniture and Fixtures	743,928	34,369	(79,787)	698,510
Transportation Equipment	<u>330,627</u>	<u>105,971</u>	<u>(52,910)</u>	<u>383,688</u>
Total Capital Assets Being Depreciated	98,368,201	310,502	(148,445)	98,530,258
Less Accumulated Depreciation for:				
Railroad Tracks and Yards	(2,530,293)	(40,012)	--	(2,570,305)
Roadways and Surface Drainage	(3,012,287)	(339,991)	--	(3,352,278)
Buildings and Structures	(44,143,924)	(1,788,655)	--	(45,932,579)
Equipment	(3,679,874)	(267,324)	15,616	(3,931,582)
Office Furniture and Fixtures	(565,412)	(61,020)	69,770	(556,662)
Transportation Equipment	<u>(236,683)</u>	<u>(41,186)</u>	<u>52,910</u>	<u>(224,959)</u>
Total Accumulated Depreciation	<u>(54,168,473)</u>	<u>(2,538,188)</u>	<u>138,296</u>	<u>(56,568,365)</u>
Total Capital Assets Less Depreciation	<u>44,199,728</u>	<u>(2,227,686)</u>	<u>(10,149)</u>	<u>41,961,893</u>
Net Capital Assets	\$ <u>52,831,548</u>	\$ <u>1,200,530</u>	\$ <u>(417,918)</u>	\$ <u>53,614,160</u>

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

6. LONG-TERM DEBT:

Loans Payable

The Port Commission is authorized by the State of Louisiana to have outstanding indebtedness up to \$100,000,000 evidenced by negotiable bonds or notes.

On March 1, 1999, the Port entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority). Under the agreement, the Authority issued \$5,700,000 Series 1999A Revenue and Refunding Bonds and \$3,300,000 Series 1999B Revenue Bonds and loaned the proceeds to the Port. From the proceeds of the loan, the Port was required to fund a reserve fund to receive the bond proceeds and make loan payments, and a construction fund to receive bond proceeds and make payments on private activity and governmental projects for which the bond proceeds were lent. The Bonds were issued for the purpose of 1) with respect to the proceeds of the Series 1999A Bonds, currently refunding certain prior bonds and paying the costs of certain private activity projects, 2) with respect to the proceeds of the Series 1999B Bonds, paying the costs of certain governmental projects, and 3) paying the costs of issuance of the bonds.

Under the loan agreement, the Port is required to repay the loan by making the debt service payments, including principal, interest, and reserve requirements for the Authority's two bond issues. At December 31, 2009 and 2008 the outstanding indebtedness consisted of the following:

<u>2009</u> <u>Bonds</u> <u>Series</u>	<u>Maturing</u> <u>Serially To</u>	<u>Call</u> <u>Prices (%)</u>	<u>Interest</u> <u>Rate</u>	<u>Payable at</u> <u>01/01/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Payable at</u> <u>12/31/09</u>
1999A	2019	100-102	8% - 5.5%	\$3,860,000	\$ -	\$ (265,000)	\$ 3,595,000
1999B	2019	100-102	8% - 5.25%	2,235,000	-	(155,000)	2,080,000
Unamortized Premium on Bonds Payable				<u>90,707</u>	<u>-</u>	<u>(8,850)</u>	<u>81,857</u>
				<u>\$6,185,707</u>	<u>\$ -</u>	<u>\$ (428,850)</u>	<u>5,756,857</u>
Less: Amounts Due Within One Year Payable from Restricted Assets							<u>(440,000)</u>
Amounts Due After One Year							<u>\$ 5,316,857</u>

**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

6. LONG-TERM DEBT: (Continued)

<u>2008</u> Bonds Series	<u>Maturing</u> <u>Serially To</u>	<u>Call</u> <u>Prices (%)</u>	<u>Interest</u> <u>Rate</u>	<u>Payable at</u> <u>01/01/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Payable at</u> <u>12/31/08</u>
1999A	2019	100-102	8% - 5.5%	\$4,110,000	\$ -	\$ (250,000)	\$ 3,860,000
1999B	2019	100-102	8% - 5.25%	2,380,000	-	(145,000)	2,235,000
Unamortized Premium on Bonds Payable				<u>99,556</u>	-	<u>(8,849)</u>	<u>90,707</u>
				<u>\$6,589,556</u>	<u>\$ -</u>	<u>\$ (403,849)</u>	<u>6,185,707</u>
Less: Amounts Due Within One Year Payable from Restricted Assets							<u>(420,000)</u>
Amounts Due After One Year							<u>\$ 5,765,707</u>

The bonds maturing March 1, 2010 and thereafter are subject to optional redemption on or after March 1, 2009, in whole on any date or in part, as selected by the trustee by lot at the discretion of the Authority, on any interest payment date.

Debt service requirements to maturity, including interest requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 440,000	\$ 290,955	\$ 730,955
2011	465,000	267,682	732,682
2012	490,000	242,960	732,960
2013	520,000	216,619	736,619
2014-2018	3,050,000	622,315	3,672,315
2019	710,000	19,200	729,200
Total	<u>\$ 5,675,000</u>	<u>\$ 1,659,731</u>	<u>\$ 7,334,731</u>

Compensated Absences

The following is a summary of the changes in compensated absences for the years ended December 31, 2009 and 2008:

<u>2009</u>	<u>Balance</u> <u>01/01/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/09</u>	<u>Amount Due</u> <u>in One Year</u>
Compensated Absences	<u>\$ 223,428</u>	<u>\$ 124,094</u>	<u>\$ 96,589</u>	<u>\$ 250,933</u>	<u>\$ 95,589</u>
<u>2008</u>	<u>Balance</u> <u>01/01/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/08</u>	
Compensated Absences	<u>\$ 228,015</u>	<u>\$ 97,715</u>	<u>\$ 102,302</u>	<u>\$ 223,428</u>	

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

6. LONG-TERM DEBT: (Continued)

The balance of compensated absences is included as other accrued liabilities in the statements of net assets.

7. CHANGES IN AMOUNTS INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT:

The change in amounts invested in capital assets, net of related debt is summarized as follows:

	<u>2009</u>	<u>2008</u>
Balance at January 1	\$ 47,428,455	\$ 46,241,993
Change in Capital Assets	(651,408)	782,613
Change in Related Debt	<u>428,850</u>	<u>403,849</u>
Balance at December 31	<u>\$ 47,205,897</u>	<u>\$ 47,428,455</u>

8. RESTRICTED NET ASSETS:

Restricted net assets at December 31, 2009 and 2008, consist of \$198,991 and 212,984, respectively, restricted for debt service.

The requirements for the debt service, at December 31, 2009 and 2008 were computed as follows:

	<u>2009</u>	<u>2008</u>
Assets Restricted for Loan Repayment and Debt Service	\$ 797,486	\$ 799,573
Current Liabilities Payable from Restricted Assets	<u>(598,495)</u>	<u>(586,589)</u>
	<u>\$ 198,991</u>	<u>\$ 212,984</u>

9. LEASES:

Various facilities, terminals and other properties of the Port Commission have been leased to tenants for various terms. The lessees bear substantially all ordinary operating and maintenance expenses of the leased properties and have the option of renewing the leases at the end of the original term.

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

9. LEASES: (Continued)

The carrying values and depreciation expense of the properties leased under long-term leases by the Port Commission are as follows:

	<u>2009</u>	<u>2008</u>
Railroad Tracks and Yards	\$ 562,680	\$ 562,680
Roadways and Surface Drainage	4,733,640	4,733,640
Buildings and Structures	39,993,116	39,993,116
Equipment	<u>2,308,409</u>	<u>2,308,409</u>
Total Leased Property	47,597,845	47,597,845
Less: Accumulated Depreciation	<u>(30,901,373)</u>	<u>(29,757,795)</u>
Net Leased Property	<u>\$ 16,696,472</u>	<u>\$ 17,840,050</u>
Depreciation Expense	<u>\$ 1,143,578</u>	<u>\$ 1,143,778</u>

The following is a schedule by years of future minimum rental payments receivable on non-cancelable long-term leases as of December 31, 2009:

<u>Year Ended December 31</u>	<u>Future Rental Revenues</u>
2010	\$ 1,215,436
2011	924,635
2012	642,392
2013	580,458
2014	438,921
Later Years	<u>3,070,240</u>
Total Minimum Future Rentals	<u>\$ 6,872,082</u>

For the purpose of these statements, the lease amount as set forth in the original lease agreement or set by the most recent appraisal was used in the determination of the minimum future rentals on long-term leases and thus is subject to change.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

10. RETIREMENT SYSTEM:

Substantially all employees of the Port Commission are members of the Louisiana State Employees Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Port Commission employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees may retire at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) at age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members hired before July 1, 2006 are required by state statute to contribute 7.5% of gross salary and members hired July 1, 2006 or after are required by state statute to contribute 8.0% of gross salary. The Port Commission is required to contribute at an actuarially determined rate as required by Louisiana Revised Statute 11:102. The contribution rates for the years ended December 31, 2009, 2008 and 2007 were 18.6%, 18.5% and 20.4%, respectively, of annual covered payroll. The Port Commission's contributions to the System for the years ended December 31, 2009, 2008 and 2007 were \$246,670, \$259,129, and \$234,874, respectively, and were equal to the required contributions for each year.

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS:

Substantially all Port Commission employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the Port Commission. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Port Commission. At December 31, 2009, thirty two retirees were receiving postemployment benefits.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Plan Description

The Port Commission's employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan (for fiscal year 2008) that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The State administers the plan through the Office of Group Benefits. LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Funding Policy

The contribution requirements of plan members and the Port Commission are established and may be amended by LRS 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The Office of Group Benefits offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Exclusive Provider Organization (EPO) plan and the Health Maintenance Organization (HMO) plan. Retired employees who have Medicare Part A and Part B coverage also have access to two OGB Medicare Advantage plans which includes one HMO plan and one private fee-for-service (PFFS) plan. Depending upon the plan selected, during the year ended December 31, 2009, employee premiums for a single member receiving benefits range from \$34 to \$95 per month for retiree-only coverage with Medicare or from \$135 to \$181 per month for retiree-only coverage without Medicare. The premiums for a retiree and spouse for the year ended December 31, 2009 range from \$71 to \$176 per month for those with Medicare or from \$435 to \$526 per month for those without Medicare.

The plan is currently financed on a pay as you go basis, with the Port Commission contributing anywhere from \$243 to \$253 per month for retiree-only coverage with Medicare or from \$863 to \$899 per month for retiree-only coverage without Medicare during the year ended December 31, 2009. Also, the Port Commission's contributions range from \$437 to \$455 per month for retiree and spouse with Medicare or \$1,326 to \$1,381 for retiree and spouse without Medicare.

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total premium is approximately \$1 per thousand dollars of coverage of which the employer pays one half of the premium. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with AD&D coverage ceasing at age 70 for retirees.

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Annual OPEB Cost

The Port Commission's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the Plan's fiscal year beginning July 1, 2008 and 2007 is \$853,800 and \$841,300.

	<u>July 1, 2008</u>	<u>July 1, 2007</u>
Normal cost	\$ 395,400	\$ 410,400
Amortization of the UAAL	425,562	398,542
Interest	<u>32,838</u>	<u>32,358</u>
Annual required contribution (ARC)	<u>\$ 853,800</u>	<u>\$ 841,300</u>

The following table presents the Port Commission's OPEB Obligation for the year ended December 31, 2009 and 2008, the amount actually contributed to the plan, and changes in the Plan's net OPEB obligation:

	<u>2009</u>	<u>2008</u>
Annual required contribution	\$ 853,800	\$ 841,300
Interest on net OPEB obligation	26,972	-
ARC adjustment	<u>(25,766)</u>	<u>-</u>
Annual OPEB cost	855,006	841,300
Contributions made	-	-
Claim costs	<u>162,000</u>	<u>167,013</u>
Increase in Net OPEB Obligation	693,006	674,287
Beginning Net OPEB Obligation	<u>674,287</u>	<u>-</u>
Ending Net OPEB Obligation	<u>\$ 1,367,293</u>	<u>\$ 674,287</u>

Utilizing the pay-as-you-go method, the Port Commission contributed 19.85% of the annual post employment benefits cost during the year ended December 31, 2009.

Trend Information

Three-year trend information will be presented next year. Fiscal year ended December 31, 2008 was the year of implementation of GASB No. 45. As such, comparative data for prior years is not available.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2009	\$855,006	19.85%	\$1,367,293
December 31, 2008	\$841,300	19.85%	\$674,287

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Funded Status and Funding Progress

In the year ended December 31, 2009, the Port Commission, through the Office of Group Benefits, established a postemployment benefits plan trust. The Office of Group Benefits has not funded the trust, has no assets and has a funded ratio of zero. The actuarial accrued liability of \$11,134,900 is unfunded.

The funded status of the plan as of the most recent valuation date of July 1, 2008 is as follows:

Actuarial accrued liability (AAL)	\$ 11,134,900
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 11,134,900</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (annual payroll of active employees covered by the plan)	\$ <u>1,291,200</u>
UAAL as a percentage of covered payroll	<u>862%</u>

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 9.5% and 10.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at July 1, 2008, was thirty years.

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

12. RISK MANAGEMENT AND CONTINGENT LIABILITIES:

The Port Commission is exposed to various risks of losses related to general liability; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; employee health and accident; and natural disasters. The Port Commission is a party to various legal proceedings incidental to its business. Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against the Port. In the opinion of management, all such matters are adequately covered by commercial insurance purchased by the Port, or if not so covered, are not expected to have a material effect on the financial statements of the Port Commission. Settlement amounts have not exceeded insurance coverage for the current period or the three prior years.

At December 31, 2008, the Port is a codefendant in two lawsuits involving asbestos exposure while the plaintiffs were employed by others on Port property. In the opinion of the Port's attorney, it is reasonably possible that there may be an unfavorable outcome to the Port. In the event that the Port is found liable and damages are imposed, the liability to the Port in excess of insurance could range from \$2,200,000 to \$2,800,000. Management intends to vigorously defend these matters.

13. DEFERRED COMPENSATION PLAN:

Certain employees of the Port Commission participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to the State of Louisiana Public Employees Deferred Compensation Plan are included in the financial statements of the State of Louisiana. Effective November 1, 2000, the Port Commission may make a discretionary matching contribution up to 5% of the employees' base pay not to exceed \$4,000 per calendar year. The Port Commission contributions for the years ended December 31, 2009 and 2008 were \$41,537 and \$45,211, respectively.

14. CONSTRUCTION IN PROGRESS:

Details of construction in progress at December 31, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Port Security Grant Projects (1)	\$ -	\$ 177,522
Command Center (2)	280,220	325,851
Grain Dock Rehabilitation Project (3)	2,539,131	2,539,131
Northline RR Siding (4)	-	643,919
Boat Launch (1)	629,808	184,377
Other projects	<u>1,570,427</u>	<u>401,415</u>
Total	<u>\$ 5,019,586</u>	<u>\$ 4,272,215</u>

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

14. CONSTRUCTION IN PROGRESS: (Continued)

- 1) Seventy-five percent of the costs of these projects are funded by grants received from the U.S. Department of Homeland Security and twenty five percent is funded by State Port Security Grants.
- 2) Construction costs of \$1 million and \$2 million will be paid by Port Security Grants and state appropriations, respectively. All other costs will be paid by the Port.
- 3) Ninety percent of the cost of this project is funded by the Louisiana Department of Transportation and Development. The remaining ten percent is the responsibility of the Port.
- 4) One hundred percent of the cost of this project is funded by the Port.

15. ENVIRONMENTAL REMEDIATION LIABILITY:

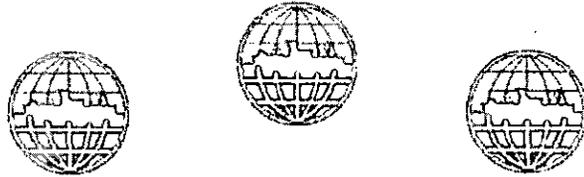
The presence of chlorinated hydrocarbons near the Port's property was first discovered during testing performed in connection with a neighboring property owner's own environmental remediation issues. Rollins Environmental Services, Inc. (REN) conducted additional testing to identify the source and extent of chlorinated organic compounds. The preliminary site assessment revealed the presence of chlorinated hydrocarbons in the area of the barge terminal on the Port's property. A plausible explanation of the presence of these chemicals is the vertical migration resulting from surface spillage caused by the transfer or piping of such materials during prior storage or shipment on the premises. An independent remediation contractor developed a remediation plan based on estimated annual expenses ranging from \$35,000 to \$40,000 for a period of 12 to 14 years. The remediation plan was proposed to and approved by the Louisiana Department of Environmental Quality. The resulting estimated potential liability of \$500,000 is being shared equally by the Port and two other potentially responsible parties. This liability could change due to price increases, changes in technology, or other factors. The Port paid \$15,000 and \$8,829 in 2009 and 2008, respectively, on this cost. The liability balance as of December 31, 2009 and 2008 is \$125,048 and \$140,048, respectively.

16. OTHER COMMITMENTS:

At year-end, the Port had commitments outstanding, in the form of contracts relating to construction projects, of approximately \$3,836,639.

17. RECLASSIFICATIONS:

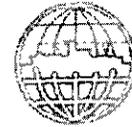
Certain reclassifications have been made to the 2008 comparative information to conform to the 2009 presentation. Such reclassifications had no effect on the change in net assets.



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REQUIRED SUPPLEMENTAL INFORMATION



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GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
REQUIRED SUPPLEMENTAL INFORMATION SCHEDULE
AS OF DECEMBER 31, 2009

Schedule of Funding Progress for OPEB Plan

The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

SCHEDULE 1

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 SCHEDULE OF FUNDING PROGRESS FOR
 GREATER BATON ROUGE PORT COMMISSION'S OPEB PLAN
DECEMBER 31, 2008 THROUGH 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Project Unit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
July 1, 2008	\$ -	\$ 11,134,900	\$ 11,134,900	0%	\$ 1,291,200	862%
July 1, 2007	\$ -	\$ 10,428,300	\$ 10,428,300	0%	\$ 1,327,787	785%

SUPPLEMENTAL INFORMATION



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GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF DECEMBER 31, 2009

Schedule of Lease Information

The schedule of lease information provides information regarding property and facilities currently being leased by the port to various lessees.

Schedule of Future Lease Rent Revenue Without Options

The schedule of future lease rent revenue indicates the estimated revenues to be received from the leases currently in effect.

Schedule of Operating Expenses by Major Category

The schedule of operating expenses by major category groups details expenses by major expense category.

Schedule of Administrative Expenses

The schedule of administrative expenses details the administrative expenses by major type.

Summary Schedule of Operating Income (Loss) by Facility

The summary schedule of operating income (loss) by facility details the operating revenues, operating expenses, and depreciation expense by the various port facilities.

Schedule of Commissioners' Per Diem

The schedule of per diem paid board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 34:1221 and are included in personal services expenses. Board members are paid \$75 per day, to a maximum of 24 days per year, for board meetings and official business. During the period of an emergency as declared and determined by the governor, the Port Commission shall be authorized to hold as many meetings or emergency activities as the board deems necessary and the members shall be paid per diem for such meetings or activities.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF LEASE INFORMATION
DECEMBER 31, 2009

Lessee	Facility	Minimum Annual Rent for 2010	Current Lease Date of Expiration
Agway Systems	Five Tracts of Land	\$ 40,000	May 31, 2013
Algonquin Gas Transmission	Tract of Land	9,300	February 28, 2010
Baton Rouge Marine Contractors	Tract of Land	10,000	June 30, 2012
Cargill, Inc. (Grain Elevator)	Grain Storage Facility	235,000	March 31, 2011
Community Coffee	Building & Land	70,306	April 30, 2014
Criterion Catalysts & Technologies	Rail Track Rental	24,000	December 31, 2017
Dow Chemicals	Tract of Land	16,500	Month-to-Month
ExxonMobil - Paxon	Railroad Servitude	1,000	November 5, 2010
Inchcape Shipping Services	Office Space	1,000	Month-to-Month
Kateon Natie of Louisiana IRMT	Warehouse	9,625	Month-to-Month
Kinder Morgan Bulk Terminal (formerly Hall-Buck)	Barge Terminal	196,515	December 31, 2011
Louisiana Sugar Products, Inc.	Tract of Land	29,304	September 30, 2011
Mammoet USA, Inc.	Facility	9,000	February 28, 2010
Petroleum Fuel & Terminal (Apex)	Tract of Land	175,708	January 31, 2020
Rail Link, Inc.	Office Space	1,000	Month-to-Month

SCHEDULE 2

Remarks

Rent is payable monthly in advance.

Rent is payable monthly in advance.

Rent is payable annually in advance.

Lessee pays costs of insurance and maintaining or replacing equipment. Rent is payable semi-annually in advance

Rent is payable monthly in advance and can fluctuate in amount based on the PPI (Producer Price Index).

Rent is payable annually in advance.

Rent is payable monthly in advance.

Rent is payable annually in advance.

Rent is payable monthly in advance.

Rent is payable monthly in advance.

Lessee pays costs of insurance, maintaining the facility and maintaining or replacing equipment and has the option to renew at the end of the lease. Rent is payable in semi-annual installments.

Rent is payable monthly in advance. Lessee has option to renew for four additional five-year periods.

Rent is payable monthly in advance. Lease continues after February 28, 2010 on a month-to-month basis until 30 days advance written cancellation notice.

Lessee has option to renew for three additional five-year periods. Rent is payable monthly in advance.

Rent is payable monthly in advance.

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 SCHEDULE OF LEASE INFORMATION (CONTINUED)
DECEMBER 31, 2009

<u>Lessee</u>	<u>Facility</u>	<u>Minimum Annual Rent for 2010</u>	<u>Current Lease Date of Expiration</u>
South Louisiana Cement, Inc.	Tract of Land	44,740	December 31, 2010
Stone Oil Distributor	Tract of Land	93,600	October 31, 2013
US Corps of Engineers	Office & Warehouse Space	14,500	August 30, 2009
US Corps of Engineers	Office & Warehouse Space	10,333	August 30, 2009
West Baton Rouge Parish Communications District	Building	18,000	December 31, 2012
Westway Feed Products	Building	36,000	December 31, 2015
Westway Terminal Company	Rail Track	166,886	December 31, 2026
Others	Various	<u>3,119</u>	Various
		<u>\$ 1,215,436</u>	

SCHEDULE 2

Remarks

Rent is payable monthly in advance. Lease provides for a progressive increase in wharfage rates on cement and aggregate. A progressive increase of minimum tonnage per year is guaranteed in the lease.

Lessee has option to renew for one additional five-year period. Rent is payable semi-annually in advance.

Rent is payable monthly in advance.

The Port Commission has leased minor items of property to others. Annual rent, expiration dates and other terms vary with each lease.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF FUTURE LEASE RENT REVENUE WITHOUT OPTIONS
DECEMBER 31, 2009

Lessee	Facility	2010	2011
Agway Systems	Five Tracts of Land	\$ 40,000	\$ 40,000
Algonquin Gas Transmission	Tract of Land	9,300	-
Baton Rouge Marine Contractors	Tract of Land	10,000	10,000
Cargill, Inc. (Grain Elavator)	Grain Storage Facility	235,000	58,750
Community Coffee	Building & Land	70,306	70,306
Criterion Catalysts & Technologies	Rail Track Rental	24,000	24,000
Dow Chemical	Container Yard	16,500	-
ExxonMobil - Paxon	Railroad Servitude	1,000	-
Inchape Shipping Services	Office Space	1,000	-
Katoen Natie Louisiana IRMT	Warehouse	9,625	-
Kinder Morgan Bulk Terminal (Formerly Hall-Buck)	Barge Terminal	196,515	196,515
Louisiana Sugar Products, Inc.	Tract of Land	29,304	21,978
Mammoet USA, Inc.	Facility	9,000	-
Petroleum Fuel & Terminal (Apex)	Tract of Land	175,708	188,500
Rail Link, Inc.	Office Space	1,000	-
South Louisiana Cement, Inc.	Tract of Land	44,740	-
Stone Oil Distributor	Tract of Land	93,600	93,600
U.S. Army Corps of Engineers	Warehouse & Office	14,500	-
U.S. Army Corps of Engineers	Warehouse & Office	10,333	-
West Baton Rouge Parish Communications	Building	18,000	18,000
Westway Terminal Company	Tract of Land	166,886	166,886
Westway Feed Products	Building	36,000	36,000
Others	WBR Parish	100	100
	Savoie Industries, Inc.	3,019	-
		<u>\$ 1,215,436</u>	<u>\$ 924,635</u>

SCHEDULE 3

2012	2013	2014	Later	Options End
\$ 40,000	\$ 16,667	\$ -	\$ -	5/31/2013
-	-	-	-	2/28/2010
5,000	-	-	-	6/30/2012
-	-	-	-	3/31/2011
70,306	70,306	23,435	-	4/30/2014
24,000	24,000	24,000	72,000	12/31/2017
-	-	-	-	Month-to-Month
-	-	-	-	11/5/2010
-	-	-	-	Month-to-Month
-	-	-	-	Month-to-Month
-	-	-	-	12/31/2011
-	-	-	-	9/30/2011
-	-	-	-	2/28/2010
188,500	188,500	188,500	958,208	1/31/2020
-	-	-	-	Month-to-Month
-	-	-	-	12/31/2010
93,600	78,000	-	-	10/31/2013
-	-	-	-	8/31/2010
-	-	-	-	8/31/2010
18,000	-	-	-	12/31/2012
166,886	166,886	166,886	2,002,632	12/31/2026
36,000	36,000	36,000	36,000	12/31/2015
100	100	100	1,400	12/31/2028
-	-	-	-	12/31/2010
<u>\$ 642,392</u>	<u>\$ 580,459</u>	<u>\$ 438,921</u>	<u>\$ 3,070,240</u>	

SCHEDULE 4

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 SCHEDULE OF OPERATING EXPENSES BY MAJOR CATEGORY
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Major Category	2009	2008
Personnel Services	\$ 2,383,698	\$ 2,360,403
Operating Services	1,435,757	1,381,388
Other Post Employment Benefits	693,006	674,287
Travel	16,663	11,849
Supplies	199,636	316,683
Professional Services	145,539	154,271
Depreciation	2,537,866	2,538,188
Other	10,731	37,371
Total	\$ 7,422,896	\$ 7,474,440

SCHEDULE 5

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Director's Salary	\$ 151,326	\$ 151,634
Other Salaries and Wages	683,215	671,081
Annual, Sick and Compensatory Leave	106,630	83,482
Legal	36,597	39,222
Advertising	150,422	133,956
Travel	15,266	11,817
Trade and Sales Solicitation	33,181	35,150
Education Expenses	7,504	9,089
Auditing	20,750	24,250
Engineering	13,388	5,369
Consulting Fees	400	1,813
Legislative Consultant Fees	40,950	42,000
Contributions to State Retirement System, Payroll Taxes and Group Insurance Program	552,623	550,454
Office Supplies and Postage	20,762	36,126
Bad Debt Expense	-	20,459
Telephone and Telegraph	6,470	8,067
Dues and Subscriptions	17,884	30,034
Utilities	14,096	20,086
Office Repairs and Maintenance	53,672	65,752
Automobile Expenses	3,870	6,603
Insurance	48,861	46,831
Outside Administrative Services	8,429	7,662
Miscellaneous	10,731	16,909
Commissioners' Per Diem	23,550	17,925
	<u>\$ 2,020,577</u>	<u>\$ 2,035,771</u>

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 SUMMARY SCHEDULE OF OPERATING INCOME (LOSS) BY FACILITY
 FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Operating Revenues		Operating Expenses	
	2009	2008	2009	2008
Grain Elevator	\$ 598,741	\$ 664,986	\$ 55,046	\$ 42,192
General Cargo Docks	740,973	1,008,961	354,766	451,234
Baton Rouge Barge Terminal	326,516	483,740	8,519	3,298
Molasses Tank Farm	268,531	425,253	51,031	40,610
West Bank Railroad Facility	264,699	233,812	284,532	295,530
Petroleum Terminal	424,359	623,247	52,418	41,022
Midstream Bulk Handling Facility	-	-	-	-
Miscellaneous River Activities	499,175	500,975	-	-
Miscellaneous East and West Bank Activities	1,208,184	1,550,948	1,437,188	1,474,097
Inland Rivers Marine Terminal	543,586	499,274	190,889	132,890
Foreign Trade Zone	35,000	35,000	400	1,550
Totals Before Administrative Expenses	4,909,764	6,026,196	2,434,789	2,482,423
Administrative Expenses	75,987	51,927	2,450,241	2,453,829
Total	\$ 4,985,751	\$ 6,078,123	\$ 4,885,030	\$ 4,936,252

SCHEDULE 6

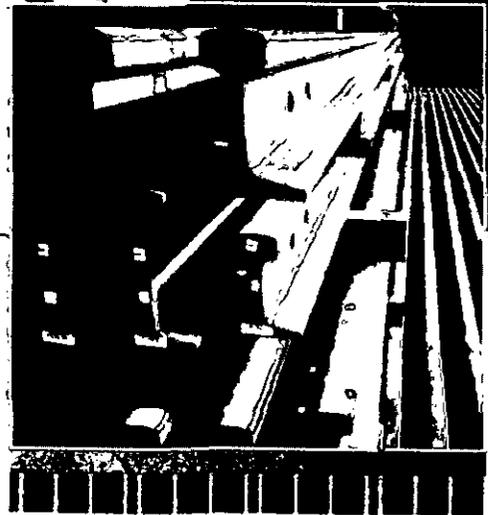
Depreciation		Operating Income (Loss)	
2009	2008	2009	2008
\$ 138,288	\$ 142,467	\$ 405,407	\$ 480,327
1,157,716	1,165,306	(771,509)	(607,579)
-	-	317,997	480,442
112,341	112,341	105,159	272,302
8,890	9,363	(28,723)	(71,081)
11,127	12,250	360,814	569,975
-	-	-	-
-	-	499,175	500,975
420,539	430,433	(649,543)	(353,582)
402,788	389,094	(50,091)	(22,710)
-	-	34,600	33,450
<u>2,251,689</u>	<u>2,261,254</u>	<u>223,286</u>	<u>1,282,519</u>
<u>286,177</u>	<u>276,934</u>	<u>(2,660,431)</u>	<u>(2,678,836)</u>
<u>\$ 2,537,866</u>	<u>\$ 2,538,188</u>	<u>\$ (2,437,145)</u>	<u>\$ (1,396,317)</u>

SCHEDULE 7

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF COMMISSIONER'S PER DIEM
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Commissioner</u>	<u>Number of Days for Which Paid</u>	<u>Amount</u>
Bennett, Kirt	24	\$ 1,800
Brian, Randy	23	1,725
Davis IV, Hall	9	675
Dragg, Alvin	24	1,800
Ellis, Greg	6	450
Hardy, Timothy	24	1,800
Hurdle, Brady	5	375
Johnson, Larry	24	1,800
Juneau, Jerald	24	1,800
Loup, Raymond	23	1,725
Machen, Angela	24	1,800
Pickren, Jr., Roy	19	1,425
Poche, Randy	21	1,575
Schexnayder, Donald	10	750
Seneca, Clint	4	300
Sheets, Blaine	18	1,350
Tilton, John	13	975
Sarullo, Corey	12	900
Hurst, Brenda	7	525
		<u>\$ 23,550</u>

Statistical



Statistical

STATISTICAL REPORT

GREATER BATON ROUGE
PORT COMMISSION
(STATE OF LOUISIANA)

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008

Submitted by:

Department of Finance

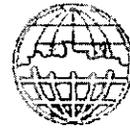
Katie G. LeBlanc

Accountant

And

Bradley L. Stueber

Director of Finance and Administration



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**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2009**

STATISTICAL SECTION

This part of the Greater Baton Rouge Port Commission comprehensive financial report presents detailed information which provides further clarification to the information contained in the financial statements, note disclosures, and all required supplementary information. The information contained in this section includes important indicators about the Greater Baton Rouge Port Commission's overall financial well being. Reports in this section have been prepared according to GASB 44 guidelines.

Contents

Financial Trends Information:

The following schedules contain trend information to help the reader understand how the financial performance and condition of the Greater Baton Rouge Port Commission has changed over the past ten years.

- 1) Ten Year Comparative Schedule of Net Assets
- 2) Summary of Revenues, Expenses, and Net Income (Loss)

Revenue Capacity Information:

The following schedules contain information to help the reader assess the most significant sources of revenue of the Greater Baton Rouge Port Commission.

- 1) Revenue by Type and Related Average
- 2) Revenue Rates

Debt Capacity Information:

The following schedule contains information to help the reader assess the capability of the Greater Baton Rouge Port Commission to meet its current level of debt services and its ability to issue debt in the future.

- 1) Note Indebtedness for Fiscal Years 2000 through 2009

Demographics and Economic Information:

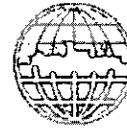
The following schedule contains information to help the reader understand demographic and economic indicators related to the financial activities of the Greater Baton Rouge Port Commission in its current environment.

- 1) Top Employers by Parishes within the Jurisdiction of the Greater Baton Rouge Port Commission
- 2) Population by Parishes within the Jurisdiction of the Greater Baton Rouge Port Commission

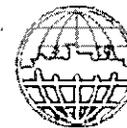
Operating Information:

The following schedules contain information directly related to the operating indicators and the number of government personnel employed by the Greater Baton Rouge Port Commission.

- 1) Government Employees at the Port by Department
- 2) Ten Year Tonnage Comparison



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Ten Year Comparative Schedule of Net Assets
 For the Fiscal Year Ended October 31, 2000,
 the Fourteen-month period Ended December 31, 2001, and
 the Fiscal Years Ended December 31, 2002 through 2009.

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 25,804,629	\$ 36,524,578	\$ 41,929,688	\$ 47,273,121
Restricted for:				
Capital Projects	0	4,143,263	3,358,737	3,291,718
Debt Service	494,111	333,028	313,134	296,339
Unrestricted	<u>24,364,691</u>	<u>11,603,148</u>	<u>13,158,160</u>	<u>11,887,222</u>
Total Net Assets	<u>\$ 50,663,431</u>	<u>\$ 52,604,017</u>	<u>\$ 58,759,719</u>	<u>\$ 62,748,400</u>

(CONTINUED)

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 46,973,032	\$ 46,671,621	\$ 45,977,653	\$ 46,241,993	\$ 47,428,455	\$ 47,205,897
1,012,863	0	0	0	0	0
276,489	273,466	286,976	312,653	212,984	198,991
<u>13,758,241</u>	<u>14,962,260</u>	<u>15,974,343</u>	<u>18,293,931</u>	<u>17,262,293</u>	<u>16,429,089</u>
<u>\$ 62,020,625</u>	<u>\$ 61,907,347</u>	<u>\$ 62,238,972</u>	<u>\$ 64,848,577</u>	<u>\$ 64,903,732</u>	<u>\$ 63,833,977</u>

GREATER BATON ROUGE PORT COMMISSION

Summary of Revenues, Expenses, and Net Income (Loss)
 For the Fiscal Year Ended October 31, 2000,
 the Fourteen-month period Ended December 31, 2001, and
 the Fiscal Years Ended December 31, 2002 through 2009.
 (Unaudited)

	2000	2001	2002	2003
OPERATING REVENUES				
Dockage and wharfage	\$ 1,139,604	\$ 1,443,921	\$ 1,054,439	\$ 1,051,943
Rentals	1,662,419	2,346,758	2,183,799	1,992,268
Freight handling	200	700	-	-
Storage	39,680	6,362	5,767	2,232
Other	921,284	1,315,196	1,248,890	1,402,225
Total	\$ 3,763,187	\$ 5,112,937	\$ 4,492,895	\$ 4,448,668
OPERATING EXPENSES				
Direct	\$ 1,515,438	\$ 2,047,677	\$ 1,862,444	\$ 2,023,483
Administrative	1,702,111	2,088,068	1,987,163	2,001,838
Postemployment Benefits	-	-	-	-
Depreciation	1,846,683	2,312,267	2,006,211	2,063,706
Total	\$ 5,064,232	\$ 6,448,012	\$ 5,855,818	\$ 6,089,027
Operating Income (Loss)	\$ (1,301,045)	\$ (1,335,075)	\$ (1,362,923)	\$ (1,640,359)
NONOPERATING REVENUES (Expenses)				
Investment income	\$ 1,136,111	\$ 1,277,948	\$ 787,047	\$ 377,535
Interest expense	(516,893)	(576,953)	(469,448)	(447,532)
Gain of sale of capital assets	(27,558)	744	123	9,950
Insurance Recoveries	-	-	-	-
Settlement income	2,000,000	-	-	-
Gain/(Loss) from Litigation	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Environmental Remediation Expense	-	-	-	-
Amortization of debt issue and bond premium, net	(17,968)	(18,951)	(17,706)	(11,736)
Trustee's fees	(8,441)	(5,314)	(3,240)	(3,675)
Total	\$ 2,565,251	\$ 677,474	\$ 296,776	\$ (75,458)
Net Income (Loss) before extraordinary item	\$ 1,264,206	\$ (657,601)	\$ (1,066,147)	\$ (1,715,817)
Extraordinary items	-	-	-	-
Net Income (Loss)	\$ 1,264,206	\$ (657,601)	\$ (1,066,147)	\$ (1,715,817)

(CONTINUED)

	2004	2005	2006	2007	2008	2009
\$	1,147,554	\$ 1,286,189	\$ 1,704,502	\$ 2,135,885	\$ 1,969,786	\$ 1,503,534
	2,093,115	2,327,843	2,530,810	2,989,287	2,422,887	1,961,004
	-	-	-	-	-	-
	1,332,373	1,561,408	1,561,518	1,505,752	1,685,450	1,521,213
\$	4,573,042	\$ 5,175,440	\$ 5,796,830	\$ 6,630,924	\$ 6,078,123	\$ 4,985,751
\$	1,836,187	\$ 1,922,456	\$ 2,201,761	\$ 2,022,649	\$ 2,226,194	\$ 2,171,447
	3,082,902	2,168,405	1,845,906	1,964,474	2,035,771	2,020,577
	-	-	-	-	674,287	693,006
	2,331,840	2,349,009	2,657,505	2,498,892	2,538,188	2,537,866
\$	7,250,929	\$ 6,439,870	\$ 6,705,172	\$ 6,486,015	\$ 7,474,440	\$ 7,422,896
\$	(2,677,887)	\$ (1,264,430)	\$ (908,342)	\$ 144,909	\$ (1,396,317)	\$ (2,437,145)
\$	406,536	\$ 292,168	\$ 698,917	\$ 902,032	\$ 648,369	\$ 279,707
	(425,478)	(402,928)	(380,008)	(355,888)	(330,736)	(306,282)
	1,375	520	29,382	-	525,504	375
	-	-	-	-	22,004	152,846
	(80,000)	-	-	-	-	-
	-	-	174,602	-	-	1,635
	-	(166,667)	-	-	-	-
	(7,472)	(7,472)	(7,472)	(7,473)	(7,473)	(7,473)
	(3,550)	(3,500)	(3,500)	(3,500)	(3,500)	(3,535)
\$	(108,589)	\$ (287,879)	\$ 511,921	\$ 535,171	\$ 854,168	\$ 117,273
\$	(2,786,476)	\$ (1,552,309)	\$ (396,421)	\$ 680,080	\$ (542,149)	\$ (2,319,872)
	-	-	-	-	-	-
\$	(2,786,476)	\$ (1,552,309)	\$ (396,421)	\$ 680,080	\$ (542,149)	\$ (2,319,872)

Revenue by Type and Related Average
 For the Fiscal Year Ended October 31, 2000,
 the Fourteen-month period Ended December 31, 2001, and
 the Fiscal Years Ended December 31, 2002 through 2009.
 (Unaudited)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Dockage	\$ 658,101	\$ 877,049	\$ 545,185	\$ 554,541
Wharfage	481,503	566,872	509,253	497,402
Rentals	1,662,419	2,346,758	2,183,799	1,992,268
Other Operating Revenue	961,164	1,322,258	1,254,657	1,404,457
Total Operating Revenue	<u>3,763,187</u>	<u>5,112,937</u>	<u>4,492,895</u>	<u>4,448,668</u>
Cargo Tonnage	7,344,317	8,905,574	6,596,384	5,801,944
Average Wharfage Revenue per Cargo Ton	<u>\$ 0.07</u>	<u>\$ 0.06</u>	<u>\$ 0.08</u>	<u>\$ 0.09</u>
Ships, each	46	72	58	50
Average Dockage Reveune per Ship	<u>\$ 14,306.55</u>	<u>\$ 12,181.23</u>	<u>\$ 9,399.75</u>	<u>\$ 11,090.82</u>

(CONTINUED)

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 609,944	\$ 745,507	\$ 1,145,320	\$ 1,164,277	\$ 1,088,312	\$ 914,708
537,610	540,682	559,182	971,608	881,474	588,826
2,093,115	2,327,843	2,530,810	2,989,287	2,422,887	1,961,004
1,332,373	1,561,408	1,561,518	1,505,752	1,685,450	1,521,213
<u>4,573,042</u>	<u>5,175,440</u>	<u>5,796,830</u>	<u>6,630,924</u>	<u>6,078,123</u>	<u>4,985,751</u>
6,603,422	5,521,304	3,539,841	4,840,869	4,776,290	3,272,024
<u>\$ 0.08</u>	<u>\$ 0.10</u>	<u>\$ 0.16</u>	<u>\$ 0.20</u>	<u>\$ 0.18</u>	<u>\$ 0.18</u>
37	62	46	84	58	64
<u>\$ 16,484.96</u>	<u>\$ 12,024.31</u>	<u>\$ 24,898.26</u>	<u>\$ 13,860.44</u>	<u>\$ 18,764.00</u>	<u>\$ 14,292.31</u>

Revenue Rates

For the Fiscal Year Ended October 31, 2000,
 the Fourteen-month period Ended December 31, 2001, and
 the Fiscal Years Ended December 31, 2002 through 2009.
 (Unaudited)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Dockage Rates at General Cargo Docks (LOA)				
Ships & Ocean Going Barges				
First day, per ft				
0-199	\$ 1.85	\$ 1.91	\$ 1.91	\$ 1.91
200-349	2.20	2.50	2.50	2.50
350-399	2.35	2.50	2.50	2.50
400-449	3.10	3.41	3.41	3.41
450-499	3.20	3.41	3.41	3.41
500-549	4.25	4.58	4.58	4.58
550-599	4.35	4.58	4.58	4.58
600-649	4.95	5.33	5.33	5.33
650-699	5.30	5.33	5.33	5.33
700-799	6.45	6.96	6.96	6.96
800-899	7.75	8.14	8.14	8.14
900 ft +	9.25	9.74	9.74	9.74
Additional days, per ft, per day				
0-199	0.75	0.78	0.78	0.78
200-399	0.90	0.93	0.93	0.93
400-449	1.00	1.30	1.30	1.30
450-499	1.26	1.30	1.30	1.30
500-549	1.42	1.84	1.84	1.84
550-599	1.79	1.84	1.84	1.84
600-649	2.10	2.54	2.54	2.54
650-699	2.47	2.54	2.54	2.54
700-749	2.73	3.57	3.57	3.57
750-799	3.47	3.57	3.57	3.57
800-899	4.52	4.65	4.65	4.65
900 ft +	5.25	5.41	5.41	5.41
Liquid Bulk Barges				
First day, per ft				
0-199	0.75	0.75	0.75	0.75
200-399	0.80	0.80	0.80	0.80
400-449	1.05	1.05	1.05	1.05
450-499	1.30	1.30	1.30	1.30
Each day thereafter	15.00	15.00	15.00	15.00
Dockage Rates at Grain Elevator				
Ships (per GRT, per day)	0.19	0.19	0.19	0.19
Barges (per day)	45.00	45.00	45.00	45.00

(CONTINUED)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$	1.94	\$ 1.94	\$ 2.06	\$ 2.06	\$ 2.06	\$ 2.06
	2.55	2.55	2.70	2.70	2.70	2.70
	2.55	2.55	2.70	2.70	2.70	2.70
	3.48	3.48	3.68	3.68	3.68	3.68
	3.48	3.48	3.68	3.68	3.68	3.68
	4.67	4.67	4.95	4.95	4.95	4.95
	4.67	4.67	4.95	4.95	4.95	4.95
	5.43	5.43	5.75	5.75	5.75	5.75
	5.43	5.43	5.75	5.75	5.75	5.75
	6.89	6.89	7.30	7.30	7.30	7.30
	8.30	8.30	8.79	8.79	8.79	8.79
	9.93	9.93	10.53	10.53	10.53	10.53
	0.97	0.97	1.03	1.03	1.03	1.03
	1.27	1.27	1.35	1.35	1.35	1.35
	1.74	1.74	1.84	1.84	1.84	1.84
	1.74	1.74	1.84	1.84	1.84	1.84
	2.33	2.33	2.48	2.48	2.48	2.48
	2.33	2.33	2.48	2.48	2.48	2.48
	2.71	2.71	2.88	2.88	2.88	2.88
	2.71	2.71	2.88	2.88	2.88	2.88
	3.44	3.44	3.65	3.65	3.65	3.65
	3.44	3.44	3.65	3.65	3.65	3.65
	4.15	4.15	4.40	4.40	4.40	4.40
	4.96	4.96	5.27	5.27	5.27	5.27
	0.75	0.75	0.75	0.75	0.75	0.75
	0.80	0.80	0.80	0.80	0.80	0.80
	1.05	1.05	1.05	1.05	1.05	1.05
	1.30	1.30	1.30	1.30	1.30	1.30
	15.00	15.00	15.00	15.00	15.00	15.00
	0.19	0.19	0.19	0.19	0.19	0.19
	45.00	45.00	45.00	45.00	45.00	45.00

Revenue Rates
 For the Fiscal Year Ended October 31, 2000,
 the Fourteen-month period Ended December 31, 2001, and
 the Fiscal Years Ended December 31, 2002 through 2009.
 (Unaudited)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Wharfage Rates (per ton)				
All articles (not provided for below)	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Automobiles				
Each, set up	2.34	2.34	2.34	2.34
Each, knocked down	1.74	1.74	1.74	1.74
Bulk Commodities				
Bauxite	-	-	1.00	1.00
Fluorspar	0.90	0.90	0.90	0.90
Groats	0.90	0.90	0.90	0.90
Lead Concentrates	0.90	0.90	0.90	0.90
Logs	0.90	0.90	0.90	0.90
Zinc Residue	0.90	0.90	0.90	0.90
Bulk Liquids				
Liquid Fertilizers	0.45	0.45	0.45	0.45
Molasses	0.17	0.17	0.17	0.17
Other Bulk Liquid	1.53	0.75	0.75	0.75
Bundled Galvanized Pipe	-	-	-	-
Campers, each	3.25	3.25	3.25	3.25
Caustic Soda	-	-	0.50	0.50
Fitches	1.61	1.61	1.61	1.61
Freight Trailers, each	3.25	3.25	3.25	3.25
Heavy Lifts, in excess of 6,000 lbs	10.00	10.00	10.00	10.00
Iron, steel, or other metal				
Fabrications or structures	1.61	1.61	1.61	1.61
Coils, rails, bars, ingots, etc.	1.61	1.00	1.00	1.00
Limestone Blocks	1.61	1.61	1.61	1.61
Lumber	1.61	1.61	1.61	1.61
Motor Homes, each	3.25	3.25	3.25	3.25
Paper Products, in rolls (Linerboard, Newsprint, Bleachboard, Pulpboard)	1.47	1.47	1.47	1.47
Particle Board	1.61	1.61	1.61	1.61
Pipe, coated or uncoated				
1-20,000 short tons	1.40	1.40	1.40	1.40
Over 20,000 short tons	1.00	1.00	1.00	1.00
Plywood	1.61	1.61	1.61	1.61
Project Cargo	Quoted upon request	Quoted upon request	Quoted upon request	Quoted upon request
PVC Plastics	1.61	1.61	1.61	1.61
Silica Sand	1.61	1.61	1.61	1.61
Single Lifts, in excess of 50,000 lbs	Quoted upon request	Quoted upon request	Quoted upon request	Quoted upon request
Tractors, each	3.25	3.25	3.25	3.25
Woodpulp, baled or rolled	1.37	1.37	1.37	1.37

(CONTINUED)

	2004	2005	2006	2007	2008	2009
	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
	2.34	2.34	-	-	-	-
	1.74	1.74	-	-	-	-
	1.00	1.00	1.00	1.00	1.00	1.00
	0.90	0.90	0.90	0.90	0.90	0.90
	0.90	0.90	0.90	0.90	0.90	0.90
	0.90	0.90	0.90	0.90	0.90	0.90
	0.90	0.90	0.90	0.90	0.90	0.90
	0.90	0.90	1.00	1.00	1.00	1.00
	0.45	0.45	0.45	0.45	0.45	0.45
	0.17	0.17	0.17	0.17	0.17	0.17
	0.75	0.75	0.75	0.75	0.75	0.75
	-	-	1.00	1.00	1.00	1.00
	3.25	3.25	-	-	-	-
	0.50	0.50	0.50	0.50	0.50	0.50
	1.61	1.61	1.61	1.61	1.61	1.61
	3.25	3.25	-	-	-	-
	10.00	10.00	10.00	10.00	10.00	10.00
	1.61	1.61	1.61	1.61	1.61	1.61
	1.00	1.00	1.00	1.00	1.00	1.00
	1.61	1.61	-	-	-	-
	1.61	1.61	1.61	1.61	1.61	1.61
	3.25	3.25	-	-	-	-
	1.47	1.47	-	-	-	-
	1.61	1.61	1.61	1.61	1.61	1.61
	1.40	1.40	1.40	1.40	1.40	1.40
	1.00	1.00	1.00	1.00	1.00	1.00
	1.61	1.61	1.61	1.61	1.61	1.61
	Quoted upon request					
	1.61	1.61	1.61	1.61	1.61	1.61
	1.61	1.61	-	-	-	-
	Quoted upon request					
	3.25	3.25	-	-	-	-
	1.37	1.37	-	-	-	-

GREATER BATON ROUGE PORT COMMISSION

Bond Indebtedness for 1999 thru 2009 Fiscal Years

Fiscal Year End	1999A Revenue & Refunding Notes			
	Principal Paid	Interest Paid 8 - 5.5%	Total Payment	Year End Principal Balance
1999	\$ -	\$ 170,280	\$ 170,280	\$ 5,700,000
2000	\$ 165,000	\$ 333,960	\$ 498,960	\$ 5,535,000
2001	\$ 170,000	\$ 320,560	\$ 490,560	\$ 5,365,000
2002	\$ 180,000	\$ 306,560	\$ 486,560	\$ 5,185,000
2003	\$ 190,000	\$ 290,397	\$ 480,397	\$ 4,995,000
2004	\$ 205,000	\$ 270,285	\$ 475,285	\$ 4,790,000
2005	\$ 215,000	\$ 263,694	\$ 478,694	\$ 4,575,000
2006	\$ 225,000	\$ 249,013	\$ 474,013	\$ 4,350,000
2007	\$ 240,000	\$ 233,788	\$ 473,788	\$ 4,110,000
2008	\$ 250,000	\$ 217,863	\$ 467,863	\$ 3,860,000
2009	\$ 265,000	\$ 202,053	\$ 467,053	\$ 3,595,000

Note A: Please refer to Footnote 6 in the Financial Section on for a detailed description of the bonds and the usage of funding.

Note B: Bonds will mature in 2019

(CONTINUED)

1999B Revenue Notes				Year End Principal Balance	Combined YE Balance 1999A & B
Principal Paid	Interest Paid @ 5.25%	Total Payment			
\$ -	\$ 95,100	\$ 95,100	\$ 3,300,000	\$ 9,000,000	
\$ 95,000	\$ 186,400	\$ 281,400	\$ 3,205,000	\$ 8,740,000	
\$ 100,000	\$ 178,600	\$ 278,600	\$ 3,105,000	\$ 8,470,000	
\$ 105,000	\$ 170,452	\$ 275,452	\$ 3,000,000	\$ 8,185,000	
\$ 110,000	\$ 158,166	\$ 268,166	\$ 2,890,000	\$ 7,885,000	
\$ 115,000	\$ 152,493	\$ 267,493	\$ 2,775,000	\$ 7,565,000	
\$ 125,000	\$ 146,780	\$ 271,780	\$ 2,650,000	\$ 7,225,000	
\$ 130,000	\$ 138,655	\$ 268,655	\$ 2,520,000	\$ 6,870,000	
\$ 140,000	\$ 130,217	\$ 270,217	\$ 2,380,000	\$ 6,490,000	
\$ 145,000	\$ 121,311	\$ 266,311	\$ 2,235,000	\$ 6,095,000	

GREATER BATON ROUGE PORT COMMISSION

**Top Employers by Parishes within the Jurisdiction
of the Greater Baton Rouge Port Commission
For the Fiscal Year Ended December 31, 2009
(Unaudited)**

ASCENSION PARISH	Employees
BASF, Corp.	1,620
Excel Group	1,200
Wal-Mart	700
Rubicon Inc.	630
Shell Chemical Co.	542
CF Industries	495
Honeywell International Inc.	300
Lion Copolymer	280

EAST BATON ROUGE PARISH	Employees
Turner Industries	9,670
Louisiana State University	5,600
Exxon Mobil Chemical Co.	4,275
The Shaw Group	4,243
Our Lady of the Lake Medical Center	4,009
Performance Contractors	3,300
Baton Rouge General Medical Center	3,000
Oshner Clinic Foundations	2,000
Woman's Hospital	1,982
Southern University	1,800
Blue Cross Blue Shield of Louisiana	1,600
Cajun Contractors	1,800
Newtron Group, Inc.	1,110

Source: Baton Rouge Area Chamber

IBERVILLE PARISH	Employees
Dow Chemical	2,200
Syngenta Crop Protection Inc.	885
Hunt Correctional Center	674
Corrections Institute	526
River West Medical Center	350
Hebert Brothers Inc.	300
Georgia Gulf Chemicals & Vinyl	213
Iberville Parish Sheriff	185
Cora Texas Manufacturing Co.	130
Pioneer Americas	120
Williams Olefins, LLC	114
Ohmstede Inc.	100

WEST BATON ROUGE PARISH	Employees
Turner Industries	700
Petrin Corp.	870
Trinity Materials Inc.	400
Wal-Mart	300
Placid Refining Co.	202
Martin-Brower Co.	100
BP Lubricants, USA	82
Ikaria, Inc.	80
Westside Galvanizing Services	80
Pioneer Americas	120

**Population by Parishes within the Jurisdiction
of the Greater Baton Rouge Port Commission**
For the Fiscal Year Ended October 31, 2000,
the Fourteen-month period Ended December 31, 2001, and
the Fiscal Years Ended December 31, 2002 through 2009.
(Unaudited)

Year	Ascension Parish	East Baton Rouge Parish	Iberville Parish	West Baton Rouge Parish
2000 Census	76,627	412,852	33,320	21,601
2001 Estimate	79,168	411,408	33,228	21,620
2002 Estimate	81,278	410,438	33,031	21,644
2003 Estimate	83,760	411,473	32,734	21,575
2004 Estimate	86,085	412,772	32,332	21,730
2005 Estimate	89,382	411,859	32,180	21,534
2006 Estimate	95,986	430,886	32,885	22,181
2007 Estimate	99,702	430,700	32,915	22,636
2008 Estimate	102,461	431,024	32,899	22,629
2009 Estimate	104,822	434,633	32,505	22,638

Source: U.S. Census Bureau

GREATER BATON ROUGE PORT COMMISSION

Government Employees at the Port by Department

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Executive	4	4	3	3	3	3	2	3	3	3
Finance & Administration	8	8	8	7	7	7	7	7	5	5
Operations	4	4	2	2	1	1	1	-	-	-
Barge Terminal	-	-	-	-	-	-	-	-	-	-
Engineering & Security	20	20	21	20	20	18	17	18	17	16
Business Development	2	2	2	1	1	1	1	1	1	1
Public Affairs	<u>1</u>									
	<u>39</u>	<u>39</u>	<u>37</u>	<u>34</u>	<u>33</u>	<u>31</u>	<u>29</u>	<u>30</u>	<u>27</u>	<u>26</u>

GREATER BATON ROUGE PORT COMMISSION

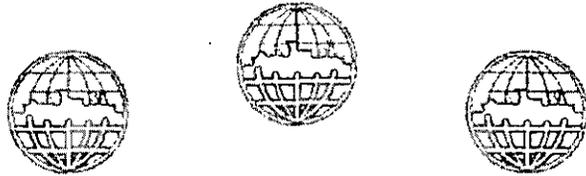
Ten Year Tonnage Comparison

For the Fiscal Year Ended October 31, 2000,
 the Fourteen-month period Ended December 31, 2001, and
 the Fiscal Years Ended December 31, 2002 through 2009.
 (Unaudited)

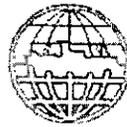
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Cargo Docks	143,437	124,431	15,556	21,019
Coke Handling Facility	1,577,809	1,675,117	1,222,082	1,393,356
Inland River Marine	66,963	129,811	174,776	276,717
Midstream Buoys	195,038	726,933	-	414
Petroleum Terminal	1,304,471	1,606,581	2,064,609	1,368,863
Molasses Terminal	246,905	250,912	296,220	366,631
Grain Elevator	265,772	362,639	74,685	282,614
Burnside Terminal	<u>3,543,922</u>	<u>4,029,150</u>	<u>2,748,456</u>	<u>2,092,330</u>
	<u>7,344,317</u>	<u>8,905,574</u>	<u>6,596,384</u>	<u>5,801,944</u>

(CONTINUED)

2004	2005	2006	2007	2008	2009
41,921	116,359	90,280	174,445	146,563	36,366
1,150,328	1,188,287	813,198	970,552	1,104,710	422,527
259,497	258,918	178,612	260,595	226,724	189,332
-	-	-	-	-	-
1,556,460	1,540,970	1,937,477	2,510,500	2,444,888	1,737,768
405,830	516,632	296,505	164,469	299,180	227,419
163,144	173,886	223,769	760,308	554,225	658,612
<u>3,026,242</u>	<u>1,726,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,603,422</u>	<u>5,521,304</u>	<u>3,539,841</u>	<u>4,840,869</u>	<u>4,776,290</u>	<u>3,272,024</u>



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Comprehensive Annual Financial Report

Compliance



Compliance

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF THE
BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Submitted by:

Department of Finance

Bradley Stueber
Director of Finance and Administration



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DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
DAVID A. BURGARD, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.

ANN H. HEBERT, C.P.A.
GRADY C. LLOYD, III, C.P.A.
HENRY L. SILVIA, C.P.A.

A.J. DUPLANTIER JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1926-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

June 18, 2010

To the Board of Commissioners
Greater Baton Rouge Port Commission
State of Louisiana
Port Allen, Louisiana

We have audited the financial statements of the Greater Baton Rouge Port Commission as of and for the year ended December 31, 2009, and have issued our report thereon dated June 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Greater Baton Rouge Port Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Greater Baton Rouge Port Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Greater Baton Rouge Port Commission's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

1340 Poydras Street, Suite 2000 New Orleans, LA 70112 · (504) 586-8866 · Fax (504) 525-5888
1670 Old Spanish Trail Slidell, LA 70458 · (985) 649-9996 · Fax (985) 649-9940
247 Corporate Drive Houma, LA 70360 · (985) 868-2630 · Fax (985) 872-3833
www.dhhmcpa.com

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Port's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater Baton Rouge Port Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. During the course of our audit we did not identify any instances of noncompliance or other matters that are required to be reported under *Government Auditing*.

This report is intended solely for the information and use of the Greater Baton Rouge Port Commission, management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Duplantier, Hrapmann, Hogan & Maher, LLP

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009

Findings – Financial Statement Audit

2008-1 At December 31, 2008, the Greater Baton Rouge Port Commission had \$747,341 of cash on deposit in excess of federally insured limits and pledged securities. Louisiana Revised Statutes require that deposits be secured in their entirety by federal deposit insurance or pledged securities. We recommended that management closely monitor cash balances and transfer excess balances to other banks or investment accounts to reduce the potential for loss and to remain in compliance with state law. This finding has been resolved for the period ending December 31, 2009.

Management's Response: The unsecured cash at December 31, 2008 resulted from an investment account transfer that had yet to be reinvested at year end. The situation was remedied soon after and represents an isolated occurrence. We will closely monitor cash balances in the future to ensure that the Port Commission's cash is entirely secured.

COMPLIANCE REPORTS

GREATER BATON ROUGE
PORT COMMISSION
(STATE OF LOUISIANA)

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008

Submitted by:

Department of Finance

Bradley L. Stueber
Director of Finance and Administration



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STATE OF LOUISIANA
 Annual Financial Statements
 Fiscal Year Ending December 31, 2009

GREATER BATON ROUGE PORT COMMISSION
2425 ERNEST WILSON DRIVE
P.O. BOX 380
PORT ALLEN, LA 70767-0380

Division of Administration
 Office of Statewide Reporting
 and Accounting Policy
 P. O. Box 94095
 Baton Rouge, Louisiana 70804-9095

Legislative Auditor
 P. O. Box 94397
 Baton Rouge, Louisiana 70804-9397

Physical Address:
 1201 N. Third Street
 Claiborne Building, 6th Floor, Suite 6-130
 Baton Rouge, Louisiana 70802

Physical Address:
 1600 N. Third Street
 Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Bradley L. Stueber, Director of Finance and Administration of the Greater Baton Rouge Port Commission who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Greater Baton Rouge Port Commission at December 31, 2009 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 18th day of June, 2010.

Bradley L. Stueber
 Signature of Agency Official

J. Barry Will
 NOTARY PUBLIC

Prepared by: Bradley L. Stueber
 Title: Director of Finance and Administration
 Telephone No.: (225) 342-1660
 Date: June 18 2010
 Email Address: stueberb@portgbr.com



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GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 Annual Financial Statements
 December 31, 2009

C O N T E N T S

TRANSMITTAL LETTER
 AFFIDAVIT

Statements

MD&A

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Statement of Activities	C
Statement of Cash Flows	D

Notes to the Financial Statements

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- DD. Employee Termination Benefits
- EE. Pollution Remediation Obligations

Schedules

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- 2 Not Applicable
- 3 Schedules of Long-Term Debt (3B is not applicable)
- 4 Schedules of Long-Term Debt Amortization (4A and 4C are not applicable)
- 5 Not Applicable
- 15 Schedule of Comparison Figures and Instructions
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Management's Analysis and Discussion

Please refer to the Management's Discussion and Analysis of the Greater Baton Rouge Port Commission in the Financial Section of this Comprehensive Annual Financial Report for the twelve-month period ending December 31, 2009.

**STATE OF LOUISIANA
Greater Baton Rouge Port Commission (BTA)
Balance Sheet
As of December 31, 2009**

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 6,863,859
Investments	10,848,618
Receivables (net of allowance for doubtful accounts)(Note U)	968,704
Due from federal government	44,471
Prepayments	84,929
Restricted investments	797,288
Restricted accrued interest receivable	198
Total current assets	19,608,067

NONCURRENT ASSETS:

Capital assets (net of depreciation)(Note D)	
Land	7,380,052
Buildings and improvements	30,819,208
Machinery and equipment	1,434,916
Infrastructure	8,263,700
Construction-in-progress	5,064,877
Other noncurrent assets	150,973
Total noncurrent assets	53,113,726
Total assets	\$ 72,721,793

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 998,997
Deferred revenues	481,126
Notes payable	440,000
Other current liabilities	158,495
Total current liabilities	2,078,618

NONCURRENT LIABILITIES: (Note K)

Notes payable	5,316,857
OPEB payable	1,367,293
Other long-term liabilities	125,048
Total noncurrent liabilities	6,809,198
Total liabilities	8,887,816

NET ASSETS

Invested in capital assets, net of related debt	47,205,897
Restricted for:	
Capital projects	
Debt service	198,991
Unrestricted	16,429,089
Total net assets	63,833,977
Total liabilities and net assets	\$ 72,721,793

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
Greater Baton Rouge Port Commission (BTA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED December 31, 2009

Statement B

OPERATING REVENUES

Licenses, permits, and fees	<u>1,503,534</u>
Other	<u>3,482,217</u>
Total operating revenues	<u>4,985,751</u>

OPERATING EXPENSES

Cost of sales and services	<u>2,434,789</u>
Administrative	<u>2,450,241</u>
Depreciation	<u>2,537,866</u>
Total operating expenses	<u>7,422,896</u>

Operating income(loss) (2,437,145)

NON-OPERATING REVENUES(EXPENSES)

Gain on disposal of fixed assets	<u>375</u>
Investment income	<u>279,707</u>
Insurance recoveries	<u>152,846</u>
Interest expense	<u>(306,282)</u>
Other revenue	<u>1,635</u>
Other expense	<u>(11,008)</u>
Total non-operating revenues(expenses)	<u>117,273</u>

Income(loss) before contributions, extraordinary items, & transfers (2,319,872)

Capital contributions 1,250,117

Change in net assets (1,069,755)

Total net assets – beginning 64,903,732

Total net assets – ending \$ 63,833,977

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
 Greater Baton Rouge Port Commission (BTA)
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED December 31, 2009

Statement C

See Appendix B for instructions

	<u>Program Revenues</u>			Net (Expense)	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
Entity	\$ <u>7,740,186</u>	\$ <u>4,985,751</u>	\$ _____	\$ <u>1,250,117</u>	\$ <u>(1,504,318)</u>
General revenues:					
Interest					279,707
Insurance recoveries					152,846
Gain on sale of fixed assets					375
Miscellaneous					1,635
Total general revenues, special items, and transfers					<u>434,563</u>
Change in net assets					<u>(1,069,755)</u>
Net assets - beginning as restated					64,903,732
Net assets - ending					<u>\$ 63,833,977</u>

The accompanying notes are an integral part of this statement. 108

STATE OF LOUISIANA
 Greater Baton Rouge Port Commission (BTA)
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED December 31, 2009

Statement D
 (continued)

Cash flows from operating activities		
Cash received from customers	\$ 4,932,785	
Cash payments to suppliers for goods and services	<u>(2,452,311)</u>	
Cash payments to employees for services	<u>(1,760,835)</u>	
Net cash provided(used) by operating activities		<u>719,639</u>
Cash flows from capital and related financing activities		
Insurance recoveries	152,846	
Principal paid on notes payable	<u>(420,002)</u>	
Interest paid on notes payable	<u>(314,376)</u>	
Acquisition/construction of capital assets	<u>(2,015,577)</u>	
Proceeds from sale of capital assets	375	
Capital contributions	<u>1,499,801</u>	
Other	<u>(1,900)</u>	
Net cash provided(used) by capital and related financing activities		<u>(1,098,833)</u>
Cash flows from investing activities		
Purchases of investment securities	<u>(10,756,518)</u>	
Proceeds from sale of investment securities	<u>15,111,028</u>	
Interest and dividends earned on investment securities	<u>331,539</u>	
Net cash provided(used) by investing activities		<u>4,686,049</u>
Net increase(decrease) in cash and cash equivalents		<u>4,306,855</u>
Cash and cash equivalents at beginning of year		<u>2,557,004</u>
Cash and cash equivalents at end of year		<u>6,863,859</u>

STATE OF LOUISIANA
 Greater Baton Rouge Port Commission (BTA)
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED December 31, 2009

Statement D
 (concluded)

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income (loss)	\$ (2,437,145)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation/amortization	<u>2,537,866</u>
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable, net	<u>(168,357)</u>
(Increase) decrease in prepayments	<u>2,188</u>
Increase (decrease) in accounts payable and accruals	<u>(72,914)</u>
Increase (decrease) in deferred revenues	<u>115,391</u>
Increase (decrease) in OPEB payable	<u>693,006</u>
Increase (decrease) in other liabilities	<u>49,604</u>
 Net cash provided (used) by operating activities	 <u>\$ 719,639</u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$ _____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
<u>Change in unrealized loss on investments</u>	<u>50,329</u>
<u>Change in accrual of capital contributions</u>	<u>(249,684)</u>
<u>Change in investment premiums and discounts</u>	<u>319,512</u>
 Total noncash investing, capital, and financing activities:	 \$ 120,157

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

INTRODUCTION

The Greater Baton Rouge Port Commission was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 29, Article VI. The following is a brief description of the operations of the Port Commission and includes the parish/parishes in which the port is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Greater Baton Rouge Port Commission present information only as to the transactions of the programs of the Port as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Port Commission are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Port Commission are annual lapsing appropriations:

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	APPROPRIATIONS
Original approved budget	\$ <u>4,650,000</u>
Amendments:	<u> -</u> <u> </u> <u> </u> <u> </u>
Final approved budget	\$ <u>4,650,000</u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Greater Baton Rouge Port Commission may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Port may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

STATE OF LOUISIANA
 GREATER BATON ROUGE PORT COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at December 31, 2009 consisted of the following:

Balance per agency books (Balance Sheet)	\$ 6,863,859	\$ _____	\$ _____	\$ 6,863,859
Deposits in bank accounts per bank	\$ 6,954,846	\$ _____	\$ _____	\$ 6,954,846
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$ 6,697,488	\$ _____	\$ _____	\$ 6,697,488
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agent <u>but not in the entity's name.</u>	\$ _____	\$ _____	\$ _____	\$ -

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

Banking Institution	Program	Amount
1. <u>Hancock Bank</u>	<u></u>	\$ <u>6,947,488</u>
2. <u>Chase Bank</u>	<u></u>	<u>7,358</u>
3. <u></u>	<u></u>	<u></u>
4. <u></u>	<u></u>	<u></u>
Total		\$ <u>6,954,846</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ <u></u>
Petty cash	\$ <u>500</u>

2. INVESTMENTS

The Greater Baton Rouge Port Commission does maintain investment accounts as authorized by the laws of the State of Louisiana.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
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FOR THE YEAR ENDED DECEMBER 31, 2009**

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name.

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Balance Sheet</u>	<u>Fair Value</u>
U.S. Government Obligations **	\$ _____	\$ _____	\$ 10,649,921	\$ 10,649,921
Other: (identify)				
Louisiana Asset Management Pool			247,499	247,499
Hancock Horizon Government MMF			739,538	739,538
Stock			8,948	8,948
Total investments	\$ _____ -	\$ _____ -	\$ 11,645,906	\$ 11,645,906

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government.

3. DERIVATIVES

The institution does not invest in derivatives as part of its investment policy.

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
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C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.). All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

Rating Agency	Rating	Fair Value
N/A	Not Rated	\$ 10,649,921
Standard and Poors	AAA	739,538
Standard and Poors	AAAm	247,499
	Total	\$ 11,636,958

B. Interest Rate Risk of Debt Investments

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type.

Type of Debt Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	\$ 10,649,921	\$ -	\$ 10,649,921	\$ -	\$ -
Government MMF	739,538	739,538			
Louisiana Asset Management Pool	247,499	247,499			
Total debt investments	\$ 11,636,958	\$ 987,037	\$ 10,649,921	\$ -	\$ -

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

2. There were no debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment.

C. Concentration of Credit Risk

There were no investments in any one issuer that represents 5% or more of total external investments (not including U.S. government securities, mutual funds, and investment pools).

D. Foreign Currency Risk

The Greater Baton Rouge Port Commission was not exposed to foreign currency risk (deposits or investments denominated in foreign currencies.)

5. POLICIES

Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and cash in trust accounts. The Port is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

State Law R.S. 33.2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

- a. There were no investments in pools managed by other governments or mutual funds.
- b. There were no securities with underlying reverse repurchase agreements.
- c. There were no unrealized investment losses.
- d. There were no commitments as of December 31, 2009 (fiscal close), to resell securities under yield maintenance repurchase agreements.
- e. There were no losses during the year due to default by counterparties to deposit or investment transactions.
- f. There were no amounts recovered from prior period losses which are not shown separately on the balance sheet.

Legal or Contractual Provisions for Reverse Repurchase Agreements N/A

Reverse Repurchase Agreements as of Year-End N/A

Fair Value Disclosures (GASB 31) N/A

Land and Other Real Estate Held as Investments by Endowments (GASB 52) N/A

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

Year ended December 31, 2009

	Prior Period Adjustments							Balance 12/31/09
	Balance 12/31/08	Adj. after submitted to CSRAP (+/-)	Restatements (+/-)	Adjusted Balance 12/31/08	Additions	Transfers*	Retirements	
Capital assets not being depreciated								
Land	\$ 7,380,052	\$	\$	\$ 7,380,052	\$ -	\$ -	\$ -	7,380,052
Construction in progress	4,272,215			4,272,215	1,964,679	(1,172,017)		5,064,877
Total capital assets not being depreciated	11,652,267	-	-	11,652,267	1,964,679	(1,172,017)	-	12,444,929
Other capital assets								
Machinery and equipment	6,045,510			6,045,510	465,755		(59,922)	6,451,343
Less accumulated depreciation	(4,713,203)			(4,713,203)	(363,146)		59,922	(5,016,427)
Total Machinery and equipment	1,332,307	-	-	1,332,307	102,609	-	-	1,434,916
Buildings and improvements	78,525,558			78,525,558	7,101			78,532,659
Less accumulated depreciation	(45,932,579)			(45,932,579)	(1,780,872)			(47,713,451)
Total buildings and improvements	32,592,979	-	-	32,592,979	(1,773,771)	-	-	30,819,208
Infrastructure	13,959,190			13,959,190	620,940			14,580,130
Less accumulated depreciation	(5,922,583)			(5,922,583)	(393,847)			(6,316,430)
Total infrastructure	8,036,607	-	-	8,036,607	227,093	-	-	8,263,700
Total other capital assets	41,961,893	-	-	41,961,893	(1,444,069)	-	-	40,517,824
Capital Asset Summary:								
Capital assets not being depreciated	11,652,267	-	-	11,652,267	1,964,679	(1,172,017)	-	12,444,929
Other capital assets, at cost	98,530,258	-	-	98,530,258	1,093,796	-	(59,922)	99,564,132
Total cost of capital assets	110,182,525	-	-	110,182,525	3,058,475	(1,172,017)	(59,922)	112,009,061
Less accumulated depreciation	(56,568,365)	-	-	(56,568,365)	(2,537,865)	-	59,922	(59,046,308)
Capital assets, net	\$ 53,614,160	\$ -	\$ -	\$ 53,614,160	\$ 520,610	\$ (1,172,017)	\$ -	\$ 52,962,753

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

E. INVENTORIES

The Greater Baton Rouge Port Commission does not maintain any inventories.

F. RESTRICTED ASSETS

Restricted assets in the Greater Baton Rouge Port Commission at December 31, 2009, reflected at \$797,486 in the current section of Statement A, consist of \$57,750 in unpaid bond coupons, \$739,538 in cash invested with fiscal agents, and \$198 in interest receivable.

G. LEAVE

1. COMPENSATED ABSENCES

The Greater Baton Rouge Port Commission has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expense when the leave is earned.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at December 31, 2009 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$0. The leave payable is recorded in the accompanying financial statements.

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

H. RETIREMENT SYSTEM

Substantially all of the employees of the Port Commission are members of the Louisiana State Employees' Retirement System, a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Port Commission employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members hired before July 1, 2006 are required by state statute to contribute 7.5% of gross salary and those members hired on or after July 1, 2006 are required by state statute to contribute 8.0%. The Port Commission is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for years ended December 31, 2009, 2008, and 2007 were 18.6%, 18.5% and 20.4%, respectively, of annual covered payroll. The Port Commission contributions to the System for the twelve month fiscal years ending December 31, 2009, December 31, 2008 and December 31, 2007 were \$246,670, \$259,129 and \$234,874, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

1. ARC (broken down by agency on pages 29-33 of the actuarial valuation report)	853,800
2. *NOO, beginning of year	674,287
3. Amortization factor	26.17
4. Interest on NOO (4% x 2.)	26,971
5. ARC adjustment (2./3.)	25,766
6. Annual OPEB expense (1. + 4. - 5.)	855,006
7. Contributions	162,000
8. Adjustment to OGB billings for retirees' insurance 2009 premiums	693,006
9. **NOO, end of year (2. + 6. - 7 +or-8.)	1,367,293

No note disclosures required as the Office of Group Benefits is the only OPEB provider.

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year ended December 31, 2009 amounted to \$0.

2. CAPITAL LEASES

Capital leases are not recognized in the accompanying financial statements.

3. LESSOR - DIRECT FINANCING LEASES

There were no direct financing leases sold as of December 31, 2009.

4. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectability and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of December 31, 2009:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Land & Improvements	\$ 5,296,320	\$ 1,524,067	\$ 3,772,253
b. Equipment	2,308,409	2,308,409	0
c. Buildings & Structures	39,993,116	27,068,627	12,924,489
Total	<u>\$ 47,597,845</u>	<u>\$ 30,901,103</u>	<u>\$ 16,696,742</u>

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of December 31, 2009:

Year Ended June 30,	Facility Space	Equipment	Land & Improvements	Other	Total
2010	\$ 530,973	\$ -	\$ 684,463	\$ -	\$ 1,215,436
2011	309,265	-	615,370	-	924,635
2012	54,000	-	588,392	-	642,392
2013	36,000	-	544,458	-	580,458
2014	36,000	-	402,921	-	438,921
Later	36,000	-	3,034,240	-	3,070,240
Total	<u>\$ 1,002,238</u>	<u>\$ -</u>	<u>\$ 5,869,844</u>	<u>\$ -</u>	<u>\$ 6,872,082</u>

Current year lease revenues received in fiscal year 2009 totaled \$1,901,004. There were no contingent rentals from operating leases received in the fiscal year for office space, equipment or for land.

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2009:

	<u>Year ended December 31, 2009</u>				
	Balance December 31, 2008	<u>Additions</u>	<u>Reductions</u>	Balance December 31, 2009	Amounts due within <u>one year</u>
Notes and bonds payable:					
Notes payable	\$ 6,185,707	\$	\$ 428,850	\$ 5,756,857	\$ 440,000
Bonds payable	-			-	
Total notes and bonds	<u>6,185,707</u>	<u>-</u>	<u>428,850</u>	<u>5,756,857</u>	<u>440,000</u>
Other liabilities:					
Contracts payable				-	
Compensated absences payable				-	
Capital lease obligations				-	
Claims and litigation				-	
OPEB payable	674,287	693,006		1,367,293	
Other long-term liabilities	140,048		15,000	125,048	
Total other liabilities	<u>814,335</u>	<u>693,006</u>	<u>15,000</u>	<u>1,492,341</u>	<u>-</u>
Total long-term liabilities	<u>\$ 7,000,042</u>	<u>\$ 693,006</u>	<u>\$ 443,850</u>	<u>\$ 7,249,198</u>	<u>\$ 440,000</u>

L. CONTINGENT LIABILITIES

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. Losses or ending litigation that is probable should be reflected on the balance sheet.

The Greater Baton Rouge Port Commission is a defendant in litigation seeking damages as follows:

Date of Action	Description of Litigation and Probable outcome (Probable, reasonably possible or remote)	Estimated Liability Amt for Claims & Litigation (Opinion of legal counsel)	Insurance Coverage
01/06	Asbestos Claim - Reasonably Possible	\$ 1,500,000 - \$2,000,000	\$ Unknown
06/07	Asbestos Claim - Reasonably Possible	\$700,000 - \$800,000	Unknown
Totals		<u>\$ 2,200,000 - \$2,800,000</u>	<u>\$ -</u>

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

L. CONTINGENT LIABILITIES (Continued)

There were no previously collected federal funds in which certain previously claimed costs were disallowed.

The Port Commission is exposed to various risks of losses related to general liability; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; employee health and accident; and natural disasters. The Port Commission is a party to various legal proceedings incidental to its business. Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against the Port. In the opinion of management, all such matters are adequately covered by commercial insurance purchased by the Port, or if not so covered, are not expected to have a material effect on the financial statements of the Port Commission. Settlement amounts have not exceeded insurance coverage for the current period or the three prior years.

M. RELATED PARTY TRANSACTIONS

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from that result from related party transactions. There were no related party transactions during the current financial reporting period.

N. ACCOUNTING CHANGES

The Greater Baton Rouge Port Commission did not adopt any changes in the fiscal year 2009 that would result in the change in format and content of the basic financial statements.

O. IN-KIND CONTRIBUTIONS

There were no in-kind contributions as of December 31, 2009.

P. DEFEASED ISSUES

There were no defeased issues during the twelve month period ended December 31, 2009 for the Greater Baton Rouge Port Commission.

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

1. PLEDGED REVENUES

There were no pledged revenues as of December 31, 2009.

2. FUTURE REVENUES REPORTED AS A SALE

There were no future revenues reported as a sale during the twelve months ended December 31, 2009.

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
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FOR THE YEAR ENDED DECEMBER 31, 2009**

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2009:

<u>CFDA Number</u>	<u>Program Name</u>	<u>State Match Percentage</u>	<u>Total Amount of Grant</u>
97.056	2006 Port Security Grant	25%	\$ 484,500
Total government-mandated nonexchange transactions (grants)			\$ 484,500

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At December 31, 2009, the Greater Baton Rouge Port Commission had no violations of finance-related legal or contractual provisions.

T. SHORT-TERM DEBT

The Greater Baton Rouge Port Commission does not issue short-term notes.

The Greater Baton Rouge Port Commission does not use a revolving line of credit for financing purposes prior to the issuance of related bonds.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2009 were as follows:

<u>Fund (gen. fund, gas tax fund, etc.)</u>	<u>Customer Receivables</u>	<u>Taxes</u>	<u>Receivables from other Governments</u>	<u>Other Receivables</u>	<u>Total Receivables</u>
	\$	\$	\$	\$	\$
					-
					-
Gross receivables	\$ 864,952	\$ -	\$ 44,471	\$ 106,050	\$ 1,015,473
Less allowance for uncollectible accounts	2,100	-	-	-	2,100
Receivables, net	\$ 862,852	\$ -	\$ 44,471	\$ 106,050	\$ 1,013,373

Amounts not scheduled for collection during the subsequent year

\$	\$	\$	\$	\$	-
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**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2009 were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	\$ 657,807	\$ 1,708,211	\$ 100,745	\$ 57,750	\$ 2,524,513
Total payables	\$ 657,807	\$ 1,708,211	\$ 100,745	\$ 57,750	\$ 2,524,513

W. SUBSEQUENT EVENTS

There were no material event(s) affecting the Port Commission occurring between the close of the fiscal period and issuance of the financial statement.

X. SEGMENT INFORMATION

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by each segment:

Segment No. 1 Administration of Port activities with the Greater Baton Rouge Area

Segment No. 2 _____

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

X. SEGMENT INFORMATION (Continued)

A. Condensed balance sheet:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTAs should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTAs should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	Segment #1	Segment #2
Current assets	\$ 19,608,067	\$ _____
Due from other funds	_____	_____
Capital assets	52,962,753	_____
Other assets	150,973	_____
Current liabilities	(2,078,618)	_____
Due to other funds	_____	_____
Long-term liabilities	(6,809,198)	_____
Restricted net assets	(198,991)	_____
Unrestricted net assets	(16,429,089)	_____
Invested in capital assets, net of related debt	(47,205,897)	_____

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

STATE OF LOUISIANA
 GREATER BATON ROUGE PORT COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

X. SEGMENT INFORMATION (Continued)

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ 4,985,751	\$ _____
Operating expenses	4,885,030	_____
Depreciation and amortization	2,537,866	_____
Operating income (loss)	(2,437,145)	-
Nonoperating revenues (expenses)	117,273	_____
Capital contributions/additions to permanent and term endowments	1,250,117	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	(1,069,755)	-
Beginning net assets	64,903,732	_____
Ending net assets	63,833,977	-

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ 719,639	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	(1,098,833)	_____
Net cash provided (used) by investing activities	4,686,049	_____
Beginning cash and cash equivalent balances	2,557,004	_____
Ending cash and cash equivalent balances	6,863,859	-

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Y. DUE TO/DUE FROM AND TRANSFERS

The Greater Baton Rouge Port Commission has only one fund and consequently, no interfund activity.

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the Greater Baton Rouge Port Commission at December 31, 2009, reflected at \$598,495 in the liabilities section on Statement A, consist of \$440,000 in Current Portion of Loans Payable, \$100,745 in Accrued Loan Interest, and \$57,750 in Unredeemed Bonds and Coupons.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

There were no adjustments made to restate beginning net assets for January 1, 2009.

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)

Of the total net assets reported on Statement A at December 31, 2009, \$0 are restricted by enabling legislation.

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

There were no impaired capital assets as of December 31, 2009.

DD. EMPLOYEE TERMINATION BENEFITS

The Port Commission had no termination benefit liability or expense as of December 31, 2009.

EE. POLLUTION REMEDIATION OBLIGATIONS (BTA)

The presence of chlorinated hydrocarbons near the Port's property was first discovered during testing performed in connection with a neighboring property owner's own environmental remediation issues. Rollins Environmental Services, Inc. (REN) conducted additional testing to identify the source and extent of chlorinated organic compounds. The preliminary site assessment revealed the presence of chlorinated hydrocarbons in the area of the barge terminal on the Port's property. A plausible explanation of the presence of these chemicals is the vertical migration resulting from surface spillage caused by the transfer or piping of such materials during prior storage or shipment on the premises. An independent remediation contractor developed a remediation plan based on estimated annual expenses ranging from \$35,000 to \$40,000 for a period of 12 to 14 years. The remediation

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

plan was proposed to and approved by the Louisiana Department of Environmental Quality. The resulting estimated potential liability of \$500,000 is being shared equally by the Port and two other potentially responsible parties. This liability could change due to price increases, changes in technology, or other factors. The Port paid \$15,000 and \$8,829 in 2009 and 2008, respectively, on this cost. The liability balance as of December 31, 2009 and 2008 is \$125,048 and \$140,048, respectively.

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2009
(FISCAL CLOSE)**

Name	Amount
Bennett, Kirt	\$ 1,800
Brian, Randy	1,725
Davis IV, Hall	675
Dragg, Alvin	1,800
Ellis, Greg	450
Hardy, Timothy	1,800
Hurdle, Brady	375
Johnson, Larry	1,800
Juneau, Jerald	1,800
Loup, Raymond	1,725
Machen, Angela	1,800
Pickren, Jr., Roy	1,425
Poche, Randy	1,575
Schexnayder, Donald	750
Seneca, Clint	300
Sheets, Blaine	1,350
Tilton, John	975
Sarullo, Corey	900
Hurst, Brenda	<u>525</u>
Total	\$ <u><u>23,550</u></u>

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE 1

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
SCHEDULE OF NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2009
(FISCAL CLOSE)**

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/08	Redeemed (Issued)	Principal Outstanding 12/31/09	Interest Rates	Interest Outstanding 12/31/09
1999A	3/31/99	\$ 5,700,000	\$ 3,860,000	\$ 265,000	\$ 3,595,000	8%-5.5%	\$ 1,067,512
1999B	3/31/99	\$ 3,300,000	\$ 2,235,000	\$ 155,000	\$ 2,080,000	8%-5.5%	\$ 592,219
Total		\$ 9,000,000	\$ 6,095,000	\$ 420,000	\$ 5,675,000		\$ 1,659,731

SCHEDULE 3-A

STATE OF LOUISIANA
 GREATER BATON ROUGE PORT COMMISSION
 SCHEDULE OF NOTES PAYABLE AMORTIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 440,000	\$ 290,955
2011	465,000	267,682
2012	490,000	242,960
2013	520,000	216,619
2014	545,000	188,440
2015-2019	3,215,000	453,075
2020-2024		
2025-2029		
2030-2034		
Total	\$ 5,675,000	\$ 1,659,731

SCHEDULE 4-B

STATE OF LOUISIANA
 GREATER BATON ROUGE PORT COMMISSION
 COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2009</u>	<u>2008</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>4,985,751</u>	\$ <u>6,078,123</u>	\$ <u>(1,092,372)</u>	\$ <u>18.0%</u>
Expenses	<u>7,422,896</u>	<u>7,474,440</u>	<u>(51,543)</u>	<u>.6%</u>
2) Capital assets	<u>52,962,753</u>	<u>53,614,160</u>	<u>(651,407)</u>	<u>1.2%</u>
Long-term debt	<u>5,756,857</u>	<u>6,185,707</u>	<u>(428,850)</u>	<u>7.0%</u>
Net Assets	<u>63,833,977</u>	<u>64,903,732</u>	<u>(1,069,755)</u>	<u>1.6%</u>

Explanation for change:

The Port's Rental revenues decreased as a result of recent economic downturns that affected the Port's tenants. The decrease in revenues contributed to the decrease in net assets.

SCHEDULE 15